

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE OPENING OF THE 3RD WORLD ISLAMIC ECONOMIC FORUM
AT PUTRA WORLD TRADE CENTRE (PWTC), KUALA LUMPUR
28 MAY 2007**

"INNOVATION IN THE MUSLIM WORLD – INNOVATING NEW SOLUTIONS FOR THE
BETTERMENT OF SOCIETY"

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD MORNING

TUN MUSA HITAM
CHAIRMAN, WORLD ISLAMIC ECONOMIC FORUM

HIS EXCELLENCY SUSILO BAMBANG YUDHOYONO
PRESIDENT OF INDONESIA

HIS EXCELLENCY SHAUKAT AZIZ
PRIME MINISTER OF PAKISTAN

HIS HIGHNESS SHEIKH NASSER AL MOHAMAD AL AHMAD AL SABAH
PRIME MINISTER OF KUWAIT

HIS HIGHNESS SHEIKH SAUD BIN SAQR AL QASIMI
CROWN PRINCE & DEPUTY RULER, RAS AL-KHAIMAH EMIRATE, U.A.E.

HIGHNESSES, EXCELLENCIES, LADIES AND GENTLEMEN

1. I AM HONOURED AND PRIVILEGED TO BE ABLE TO ADDRESS THIS AUGUST GATHERING OF LEADERS AND INDUSTRY CAPTAINS FROM ACROSS THE MUSLIM WORLD. I AM VERY PLEASED TO SEE THE W.I.E.F. GROW AND EXPAND IN SUCH A SHORT SPACE OF TIME. I SEE MANY FAMILIAR FACES HERE: THANK YOU FOR YOUR CONTINUING SUPPORT; I ALSO SEE MANY NEWFOUND FRIENDS: THANK YOU FOR BEING WITH US TODAY.

2. I WOULD LIKE TO CONGRATULATE THE WORLD ISLAMIC ECONOMIC FORUM FOUNDATION, THE ASIAN STRATEGY & LEADERSHIP INSTITUTE (ASLI), MALAYSIA'S MINISTRY OF FOREIGN AFFAIRS, THE ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY, AND THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE, FOR THEIR PASSION AND COMMITMENT IN ORGANISING THIS EVENT.

3. ISLAM, AS WE ALL KNOW, IS A RELIGION OF PEACE. IT IS ALSO A RELIGION THAT PLACES HIGH EMPHASIS ON THE CONCEPT OF JAMA'AH – THE CONGREGATION. EVERY DAY, FIVE TIMES A DAY, MUSLIMS ARE CALLED TO PRAYER; AND EVERY PRAYER DONE IN CONGREGATION IS MULTIPLIED IN BLESSING AND REWARD. EVERY FRIDAY, MUSLIMS ARE CALLED TO CONGREGATION: THE FRIDAY SERMON ACTING AS A REMINDER AND A CALL TO ACTION. AND AT LEAST ONCE IN EVERY MUSLIM'S LIFETIME, HE OR SHE WOULD MAKE THE PILGRIMAGE TO THE HOLY LAND OF MAKKAH AL MUKARRAMAH, WHERE THE MUSLIM SOUL IS JOINED IN A HOLY CONGREGATION OF PILGRIMS.

4. TODAY, WE ARE GATHERED IN CONGREGATION – NOT ONLY TO DISCUSS THE STATE OF THE UMMAH, BUT ALSO TO FIND WAYS TO WORK TOGETHER TOWARDS IMPROVING THE UMMAH. AS WE CONTINUE TO CONGREGATE HERE IN MALAYSIA OVER THE NEXT TWO DAYS, LET US NOT FORGET THE NOBLE MISSION THAT WE HAVE SET FOR OURSELVES. IF WE WORK TOGETHER, IN SINCERITY AND HONESTY FOR THE UMMAH, THEN OUR FORUM CAN TRULY BE THE BEST OF CONGREGATIONS. MAY ALLAH BLESS THIS FORUM AND LEAD US TO SUCCESS.

HIGHNESSES, EXCELLENCIES, LADIES AND GENTLEMEN

5. I HAVE BEEN ASKED TO SHARE WITH YOU SOME OF MY THOUGHTS ON INNOVATION IN THE MUSLIM WORLD. THIS IS UNDOUBTEDLY AN IMPORTANT ISSUE: THE WORLD IS BECOMING MORE GLOBALISED AND MORE KNOWLEDGE-BASED, AND MUSLIMS MUST LEARN TO INNOVATE OR BE LEFT BEHIND. THIS IS ALSO A TOPIC THAT IS VERY CLOSE TO MY HEART: HERE IN MALAYSIA, ONE OF OUR GREATEST CHALLENGES IS TO RAPIDLY CLIMB UP THE VALUE CHAIN, TO DEVELOP HUMAN CAPITAL AND TO INSTIL INNOVATION INTO EVERY SPHERE OF LIFE.

6. IN THIS RESPECT, ISLAM HAS HAD A GLORIOUS HISTORY OF CONSTRUCTIVE INNOVATION. CONTRARY TO WHAT MANY MAY BELIEVE TODAY, ISLAM WAS NEVER CONCEIVED AS A RIGID OR DOGMATIC FAITH. EVEN IN THE MOST CENTRAL ASPECTS OF RELIGION, ISLAM WAS OPEN AND WELCOMING OF INNOVATION. THE COLLECTION OF THE VERSES OF THE QUR'AN INTO BOOK FORM, THE SCIENTIFIC CLASSIFICATION OF THE SAYINGS OF THE PROPHET (HADITH), AND MANY OTHER INNOVATIONS WERE INTRODUCED, MANY YEARS OR EVEN CENTURIES AFTER THE DEATH OF THE PROPHET (S.A.W.).

7. THIS OPEN ATTITUDE TO INNOVATION QUICKLY PERMEATED INTO THE MUSLIM WAY OF LIFE. INDEED, THE MUSLIM UMMAH IN ITS HEYDAY WAS THE LEADING EDGE OF INNOVATION AND MODERNITY. BAGHDAD AND DAMASCUS BECAME THE GLOBAL CENTRES OF LEARNING. THE ARAB LANGUAGE BECAME THE LINGUA FRANCA OF SCIENCE AND CIVILISATION. HISTORY REMEMBERS THE CELEBRATED NAMES OF AL-GHAZALI, MUSA AL-KHAWARIZMI, OMAR KHAYYAM, AL-KINDI, AL-FARABI, IBN KHALDUN, IBN SINA, AND MANY OTHERS: THE INTELLECTUAL GIANTS OF THEIR TIME. FOR 1,000 YEARS, THE MUSLIM UMMAH WAS THE MOST ADVANCED AND CIVILISED SOCIETY ON THE FACE OF THE EARTH.

8. KNOWLEDGE AND INNOVATION BROUGHT THE GLORIES OF EMPIRE AND CIVILISATION TO THE MUSLIM UMMAH. BUT SIMILARLY, IT WAS THE WEAKENING OF KNOWLEDGE AND INNOVATION THAT SET IN THE DECLINE AND FALL OF THE MUSLIM EMPIRE.

9. THE MUSLIM SCHOLARS OF LATER YEARS DECLARED THAT THE DOORS TO IJTIHAD WERE CLOSED. MEANWHILE, THE WEALTH OF EMPIRE LED MUSLIM LEADERS TO ABANDON THE PURSUIT OF KNOWLEDGE. INNOVATION BECAME A THING OF THE PAST.

10. THE HIDDEN HAND OF HISTORY IS NOT ALWAYS SWIFT; BUT IT IS BRUTAL AND UNFORGIVING. IN THE MANNER OF CIVILISATIONS THAT HAVE COME BEFORE IT, THE LOSS OF KNOWLEDGE AND INNOVATION WITHIN THE MUSLIM UMMAH EVENTUALLY LED TO THE LOSS OF SOVEREIGNTY AND EMPIRE.

11. OVER THE YEARS, THE MUSLIM UMMAH HAS DETERIORATED AND DECLINED. WHILE THE NATIONS OF THE WEST BASKED IN THE GLORY OF THEIR GLOBAL ASCENDANCY, MUSLIM NATIONS WERE LARGELY CONSIDERED TO WHAT PEOPLE TERM THE "THIRD WORLD".

12. INDEED, THE MARGINALISATION OF THE MUSLIM UMMAH HAS BEEN SEVERE. ON EVERY MAJOR INDICATOR OF DEVELOPMENT, THE MUSLIM UMMAH TODAY IS IN A CRITICAL STATE. WHILE THE 57 O.I.C. NATIONS ACCOUNT FOR 21 PERCENT OF THE GLOBAL POPULATION IN 2005, THEY MAKE UP ONLY 5 PERCENT OF GLOBAL G.D.P. ALTHOUGH THE MAJORITY OF OPEC MEMBERS ARE O.I.C COUNTRIES, 50 PERCENT OF THE POPULATION OF ISLAMIC COUNTRIES LIVE ON LESS THAN TWO U.S. DOLLARS A DAY. MANY MUSLIMS AROUND THE WORLD ARE TRAPPED IN A VICIOUS CIRCLE OF POVERTY, ILLITERACY, MALNUTRITION, AND DISEASE.

13. INNOVATION WITHIN THE MUSLIM UMMAH IS ALSO IN A POOR STATE. OF THE TOP 15 COUNTRIES WHICH HAVE SUBMITTED INTERNATIONAL APPLICATIONS UNDER THE PATENT COOPERATION TREATY, NOT ONE OF THEM ARE MUSLIM COUNTRIES. CLEARLY, WE ARE BEING LEFT BEHIND IN THE RACE FOR INNOVATION.

HIGHNESSES, EXCELLENCIES, LADIES AND GENTLEMEN

14. WE ARE NOW AT A CROSSROADS IN OUR HISTORY AS AN UMMAH. NEVER IN THE HISTORY OF THE UMMAH – WITH THE EXCEPTION OF THE TIME OF THE PROPHET MUHAMMAD (S.A.W.) AND THE CALIPHS – HAVE WE FACED SUCH GREAT ODDS.

15. THE WORLD IS BECOMING MORE GLOBALISED. COUNTRIES WHICH WERE ONCE PROTECTED FROM COMPETITION MUST NOW FACE THE FULL BRUNT OF IT. NATIONS WHICH DO NOT HAVE THE ABILITY TO INNOVATE, RISK BEING DEFEATED AND LEFT BEHIND IN THE GLOBAL ARENA.

16. AS MUSLIMS, WE BELIEVE THAT GOD LOOKS AFTER US – THAT WE CAN BE THE BEST OF PEOPLE. BUT WE MUST EARN THE RIGHT TO BE THE BEST. WE MUST REDISCOVER OUR ABILITY AND PASSION FOR KNOWLEDGE AND INNOVATION. THE MUSLIM FAITH HAS A RICH TRADITION OF INNOVATION AND ENTERPRISE – AND WE MUST RECLAIM THIS LEGACY.

17. IN THE TIME THAT I HAVE TODAY, LET ME SHARE WITH YOU SOME OF MY THOUGHTS ON THE WAY FORWARD FOR THE MUSLIM UMMAH WITH RESPECT TO INNOVATION. FIRSTLY, WE NEED TO BUILD THE FOUNDATIONS FOR INNOVATION, BY REBUILDING OUR UNDERSTANDING OF ISLAM. SECONDLY, WE NEED TO PROMOTE INNOVATION, BY CREATING AN ECOSYSTEM FOR KNOWLEDGE AND ENTERPRISE. AND FINALLY, WE NEED TO SUSTAIN INNOVATION BY BUILDING AND DEVELOPING PLATFORMS FOR COOPERATION AND SHARING OF IDEAS AMONG THE UMMAH.

HIGHNESSES, EXCELLENCIES, LADIES AND GENTLEMEN

18. FIRSTLY, WE MUST BEGIN BY BUILDING THE FOUNDATIONS FOR INNOVATION. WE NEED TO REBUILD OUR UNDERSTANDING OF WHAT ISLAM MEANS FOR DEVELOPMENT AND SOCIETY. WE MUST RETURN TO THE CONCEPT OF LIFE AS SERVICE TO GOD, AND THE IDEA OF WORK AS WORSHIP. HUMANITY'S ROLE AS

CALIPHS – GOD'S VICE-REGENTS ON EARTH – MUST BE REDISCOVERED AND RE-EMPHASISED.

19. IT IS IN THIS SPIRIT THAT THE GOVERNMENT OF MALAYSIA ADOPTED ISLAM HADHARI AS A FRAMEWORK FOR GOVERNANCE AND DEVELOPMENT. THROUGH THE TEN PRINCIPLES OF ISLAM HADHARI, WE SEEK TO ACHIEVE DEVELOPMENT THAT IS CONSISTENT WITH THE TENETS OF ISLAM AND WHICH FOCUSES ON ENHANCING THE UMMAH'S QUALITY OF LIFE.

20. I BELIEVE THAT A MINDSET CHANGE IS THE FIRST STEP FORWARD, IF THE UMMAH IS TO PROGRESS AND DEVELOP. WE MUST BREAK THE SHACKLES OF RIGIDITY AND DOGMA THAT CURRENTLY ENVELOPE ISLAM. WE MUST GO BEYOND RITUALS AND CEREMONIES IN ISLAM. AFTER ALL, ALLAH S.W.T. INTENDED FOR HIS UMMAH TO ENGAGE WITH THE WIDER WORLD AND ACHIEVE SUCCESS. IF WE ADOPT THE PRINCIPLES OF ISLAM HADHARI AND CHANGE OUR MINDSET TO BE OPEN AND PROGRESSIVE, THEN I AM CONFIDENT THAT WE CAN TURN AROUND THE FORTUNES OF OUR MUSLIM UMMAH, AND REBUILD THE FOUNDATIONS FOR MUSLIM INNOVATION.

21. SECONDLY, IN ORDER TO ENHANCE CREATIVITY AND INNOVATION IN THE MUSLIM WORLD, WE NEED TO CREATE AN ECOSYSTEM THAT PROMOTES INNOVATION. WE MUST START BY ENHANCING OUR INVESTMENT IN EDUCATION AND HUMAN CAPITAL DEVELOPMENT. THE O.I.C. COUNTS MANY OIL-RICH COUNTRIES AS ITS MEMBERS; AND YET, ONLY 3.7 PERCENT OF G.D.P. WAS DEVOTED BY O.I.C. COUNTRIES TO EDUCATION IN THE YEARS 2002-2004. IN CONTRAST, O.E.C.D. COUNTRIES INVESTED AN AVERAGE OF FIVE PERCENT OF THEIR G.D.P. ON EDUCATION IN 2004. CLEARLY, MUCH MORE EFFORT AND RESOURCES NEED TO BE PUT INTO EDUCATION.

22. OF COURSE, THE PICTURE IS NOT ENTIRELY BLEAK. IT IS A POSITIVE SIGN THAT IN MANY MUSLIM COUNTRIES, WE ARE SEEING REAL INVESTMENTS BEING MADE IN EDUCATION. IN MALAYSIA, FOR EXAMPLE, WE SPENT EIGHT PERCENT OF OUR G.D.P. ON EDUCATION IN 2004. JUST RECENTLY, THE PRIME MINISTER OF THE UNITED ARAB EMIRATES, SHEIKH MOHAMMED BIN RASHID AL-MAKTOUM, ANNOUNCED THE LAUNCH OF AN ENDOWMENT WORTH 10 BILLION U.S. DOLLARS FOR INVESTMENTS IN EDUCATION ACROSS THE ARAB COUNTRIES. IN COUNTRIES SUCH AS PAKISTAN, QATAR, AND NIGERIA, EFFORTS ARE UNDERWAY TO INVEST IN EDUCATION, AND ACCELERATE THE DEVELOPMENT OF HUMAN CAPITAL. WITH PERSISTENT AND SINCERE EFFORT, WE SHALL SEE THOSE COUNTRIES REAP THE DIVIDENDS OF THEIR INVESTMENT.

23. IN ORDER TO CREATE AN ECOSYSTEM THAT PROMOTES INNOVATION, WE ALSO NEED TO CREATE A BUSINESS ENVIRONMENT THAT PROVIDES THE RESOURCES FOR INNOVATION. ONE OF THE PILLARS OF MODERN ENTERPRISE IS THE EXISTENCE OF A THRIVING VENTURE CAPITAL INDUSTRY, WHICH PROVIDES MUCH-NEEDED FUNDS FOR ASPIRING ENTREPRENEURS. WHEN EASY ACCESS TO CAPITAL IS ALLIED WITH INGENUITY AND INNOVATION, ENTERPRISE BLOOMS LIKE FLOWERS IN SPRINGTIME.

24. FOR THE MUSLIM UMMAH, THE LESSON IS CLEAR: WE NEED TO UNLEASH INNOVATION BY ENSURING THAT OUR ENTREPRENEURS HAVE ACCESS TO THE CAPITAL THEY NEED TO SUCCEED. IN THIS REGARD, THERE IS MUCH THAT WE CAN DO. AS I MENTIONED EARLIER, THERE ARE A NUMBER OF MUSLIM COUNTRIES

WHICH ENJOY LARGE REVENUES FROM OIL PRODUCTION. SIMILARLY, THERE ARE MANY MUSLIM INDIVIDUALS AROUND THE WORLD WHO HAVE THE CAPACITY TO INVEST IN INNOVATION. THE WEALTH IS THERE FOR US TO INVEST.

25. WE NEED TO POOL OUR RESOURCES TO JUMP-START ENTREPRENEURSHIP AND INNOVATION WITHIN THE MUSLIM WORLD. PERHAPS, DURING THE COURSE OF THIS FORUM, SOME THOUGHT CAN BE GIVEN TO THE POSSIBILITY OF SETTING UP A MUSLIM VENTURE CAPITAL FUND AT THE LEVEL OF THE W.I.E.F., LEVERAGING ON THE NETWORKS AMONG MEMBERS OF THIS FORUM.

26. FOR AN INNOVATION ECOSYSTEM TO BE ESTABLISHED, WE ALSO NEED TO PROMOTE A ROBUST LEGAL FRAMEWORK FOR INNOVATION. IN ORDER TO ENSURE THAT INVENTORS AND INNOVATORS ARE INCENTIVISED, INTELLECTUAL PROPERTY RIGHTS MUST BE ENSHRINED AND ENFORCED.

27. VERY OFTEN, DEVELOPING NATIONS ARE SEEN TO BE THE MAIN CULPRITS IN FAILING TO ENFORCE INTELLECTUAL PROPERTY RIGHTS. IN THE LONG RUN, HOWEVER, FAILURE TO PROPERLY ENFORCE INTELLECTUAL PROPERTY PROTECTION WILL DOOM OUR OWN ENTREPRENEURS AND INNOVATORS TO FAILURE. THERE WILL BE NO INCENTIVE FOR INNOVATION, WHEN THE FRUITS OF THE INVENTORS' LABOURS SO EASILY FALL INTO THE HANDS OF PIRATES AND PREDATORS.

HIGHNESSES, EXCELLENCIES, LADIES AND GENTLEMEN

28. THIRDLY, WE NEED TO SUSTAIN INNOVATION IN THE MUSLIM WORLD BY BUILDING AND DEVELOPING PLATFORMS FOR COOPERATION AND SHARING OF IDEAS. INNOVATION, AFTER ALL, FLOURISHES WHEN IDEAS ARE SHARED AND DISCUSSED.

29. I WOULD ARGUE THAT THE WORLD ISLAMIC ECONOMIC FORUM IS ONE SUCH PLATFORM FOR INTERACTION. ALREADY, WE ARE IN THE THIRD SERIES OF THIS FORUM. SO MUCH HAS BEEN ACHIEVED. WE HAVE POLICY MAKERS, CORPORATE CAPTAINS, AND ENTREPRENEURS SITTING AT THE SAME TABLE, EXCHANGING IDEAS AND EXPERIENCES. ALREADY, THE FORUM HAS SPAWNED VARIOUS WORKING GROUPS, SUCH AS THE W.I.E.F. BUSINESSWOMEN FORUM, AS WELL AS THE W.I.E.F. YOUNG LEADERS FORUM. WE HAVE EVOLVED BEYOND BECOMING A MERE TALK SHOP – I UNDERSTAND THAT PLANS ARE ALREADY UNDERWAY TO DEVELOP A GLOBAL INTERNSHIP PROGRAMME FOR MUSLIM BUSINESS EXECUTIVES.

30. WE ALREADY HAVE A GOOD TRACK RECORD OF INTERNATIONAL COLLABORATION WITHIN THE MUSLIM UMMAH. THE ISLAMIC DEVELOPMENT BANK IS ONE SUCH EXAMPLE. ANOTHER IS THE ISLAMIC FINANCIAL SERVICES BOARD, WHICH SERVES TO DEVELOP GLOBAL STANDARDS FOR THE EMERGING ISLAMIC FINANCIAL SERVICES INDUSTRY. AN INTERNATIONAL ZAKAT ORGANISATION IS ALSO IN THE WORKS, DESIGNED TO LEVERAGE ON THE CONCEPT OF ZAKAT TO GO BEYOND BORDERS TO HELP UPLIFT THE STANDARD OF LIFE FOR MUSLIMS AROUND THE GLOBE. WITH THIS CONTEXT IN MIND, I HAVE NO DOUBT THAT THE W.I.E.F. WILL CONTINUE TO PLAY ITS ROLE AS AN IMPORTANT PLATFORM FOR THE PROMOTION OF INNOVATION WITHIN THE MUSLIM UMMAH.

HIGHNESSES, EXCELLENCIES, LADIES AND GENTLEMEN

31. I HAVE OFTEN TALKED ABOUT THE NEED TO PUT AN ECONOMIC FACE TO THE O.I.C. MEMBER COUNTRIES MUST STRIVE TO ACHIEVE GROWTH, PULL IN INVESTMENTS, ENHANCE TRADE, AND BOOST BUSINESS AND COMMERCE; NOT ONLY WITHIN THEIR RESPECTIVE COUNTRIES, BUT ALSO AMONG OTHER MEMBER COUNTRIES AND THE WIDER WORLD. TO DO THIS, MEMBER COUNTRIES NEED TO STIMULATE CREATIVITY AND INNOVATION, AS WELL AS ADVANCE SCIENCE AND TECHNOLOGY IN THEIR COUNTRIES. WE MUST ADD VALUE AND INNOVATE IN ALL ECONOMIC SECTORS, INCLUDING IN AGRICULTURE, IN MANUFACTURING AND IN SERVICES. ECONOMICALLY, WE MUST MOVE FORWARD QUICKLY AND DECISIVELY.

32. I LOOK FORWARD TO THE W.I.E.F. PLAYING A SIGNIFICANT AND MEANINGFUL ROLE IN THIS REGARD. LET THIS FORUM BE A REGULAR CONGREGATION FOR US TO IDENTIFY AND SOLVE PROBLEMS FACING THE MUSLIM UMMAH. LET THIS FORUM BE A SHINING EXAMPLE OF PUBLIC-PRIVATE SECTOR COLLABORATION IN THE MUSLIM WORLD. LET THIS FORUM BE A WORTHY PLATFORM TO DISCUSS, SHARE AND ENRICH IDEAS, AS WE INNOVATE NEW SOLUTIONS FOR THE BETTERMENT OF SOCIETY.

33. FINALLY, I PRAY TO ALLAH THAT OUR JAMA'AH – OUR CONGREGATION – WILL CONTINUE TO THRIVE, AND THAT ALLAH WOULD BLESS OUR EFFORTS. ON THAT NOTE, WITH THE RECITATION OF BISMILLAHIR RAHMANIR RAHIM, IT IS NOW MY PLEASURE TO DECLARE THE THIRD WORLD ISLAMIC ECONOMIC FORUM OPEN.

THANK YOU.