

The OIC Business Forum

Putrajaya Marriott Hotel, 15 October 2003

"TOWARD A RENEWED OIC: AN AGENDA FOR PEACE AND PROSPERITY"

In the name of God, the Compassionate and the Merciful, Your Excellencies; Distinguished Guests; Ladies and Gentlemen,

I am delighted to be given the opportunity to be here today with you, the distinguished business guests from the OIC countries.

2. Allow me to express my appreciation to ASLI, the Malaysia South-South Association (MASSA) and Malaysia's Foreign Affairs Ministry for their efforts to organise this Business Forum, held on the sidelines of the 10th OIC Leaders Summit.

Tomorrow, 16th October 2003 the 10th Meeting of the OIC Leaders will begin, the meeting of an organisation established by Heads and Leaders of Muslim Nations with the aim to promote the well-being of the Muslim Ummah in all fields worldwide

3. Islam is not just about the performance of certain rituals. Islam as we all know is a way of life. An Islamic way of life must be a good life, free from the misery of poverty, ignorance and weakness. It must involve every human activity needed for its sustenance. The Islamic way of life certainly must not lead to the misery of oppression and humiliation by others.

4. There are many elements which can contribute to the hassanah in this world, the good life of the Muslims. Among them is the need to create wealth so as to relieve the poverty among us. We are enjoined to care for the needy through zakat and sedekah. Only those with wealth can perform these injunctions of Islam. A Muslim community of poor miserable people incapable of paying zakat and sedekah or charity cannot be very Islamic. Indeed we are warned that poverty can lead to loss of faith.

5. But we must also admit that wealth too can make us forget the obligations of our religion and our duty to the community and humanity at large. We see this often enough. But simply because of this we must not think that our salvation, our adherence to our faith lies in self-deprivation and rejection of the bounty that Allah has bestowed upon humanity. In Islam we do not need to be ascetics or mendicants to express the depths of our faith.

6. We must not forget that it was a trader who brought the message of Islam to us. He was al-Amin, the honest one, who travelled far across the deserts to trade for his employer who found him so honest that she took him for a husband.

7. The history of Islam is not of self-denying poverty but of wealth generously employed in the service of Islam. Such was the way of Osman ibni Affan, the companion of the Prophet. He gave his camels and contributed his wealth to the struggles of the Prophet.

8. The role of trade, i.e. business is so important and so great that Islam is the only religion which prescribes in detail the way that business should be done. Nothing is more ethical than the Muslim way of doing business. If Muslims follow the injunctions of Islam they will certainly become not just wealthy but they would create an equitable and honourable society. Long before there was any idea of a redistribution of wealth through income and corporate taxes, Islam had already prescribed a wealth tax and charity.

9. In the early years of Islam, the Muslims were the greatest traders, carrying their goods across thousands of miles of deserts and oceans, enriching not just themselves but the countries and the peoples they traded with. As a bonus they gained converts to Islam. Had they been poor and illiterate, had they come as beggars and ignorant people, Islam would not have been accepted. As it was, without fighting a single battle, without conquest and colonisation, the traders spread the faith even as they enrich themselves through trade. That was how the Malay and Indonesian Rajas and their subjects embraced Islam.

10. Trade, i.e. business, is therefore much encouraged by Islam. But despite the natural wealth endowed the Muslims by Allah, we Muslims are generally poor. We are not making full use of the opportunities afforded us by the many resources at our disposal. We have now become dependent on others, many of whom are not well disposed towards us. It is they who developed the technology to extract Allah's bounties in our land and to market them at considerable profit for themselves. Without them we would be even poorer today.

11. We should not think of an economic war against non-Muslims. But we do need to maximise the return from the resources that we have. Take the oil industry. Despite the fact that much of the oil comes from Muslim countries, we are seemingly incapable of exploring, producing, processing and retailing our own oil. We do not have the technology and the marketing skills to maximise the return from this, our unique resource. For decades we sold our oil at ridiculous prices,

while the oil majors waxed rich and dominated the oil business and in many instances dominated our countries. Even now we are dependent on others although we now have better returns from our resources.

12. It is the same with other businesses. We missed the industrial revolution completely and we are still not doing much to catch up. While we dilly-dally the world of business is moving fast. The Industrial Revolution has now been replaced with the Information Revolution. New technologies and new ways of doing business are being introduced which boggles the mind. Yet despite the possibility to start at the same time, we are missing that opportunity and we are once again being left behind. Will we ever learn?

13. The speed of jet travel and instant communication has brought about a need for speed in business, in decision making, and in learning the new technologies and business methods. World business is now conducted 24 hours a day, irrespective of where the business is done. Failure to follow the trend or the development anywhere in the world can mean losses in millions and billions of dollars or dinars or whatever currency we use.

14. Globalisation is no doubt the result of the speed of travel and communications. We should have realised the meaning of a shrinking world in terms of business early. But other people saw it first and they have come up with new ideas and strategies to enhance their business. We have not seen the implications and consequently the type of globalisation that is being proposed and promoted can be detrimental to us for we are all from developing countries. Again we face a grave threat to our role in the business world. As with oil and other resources with which we are richly endowed, we are again going to lose the opportunities presented by them. Unless we work together the form that world trade would take would, if not impoverish us, certainly deprive us of the share to which we are entitled.

15. Recently in Cancun, Mexico, the poor countries for once were united in resisting the plans of the rich countries. We succeeded in preventing them from imposing on the world their self-serving policies. But saying no is not enough. We have to come with alternatives which will ensure that the wealth of this world is more equitably distributed. The Muslim countries must work closely with other developing countries in order to formulate international trade and financial regimes which could benefit rich and poor alike.

16. To gain influence in the international arena Muslim countries must be economically strong. This can only come

about through good administration and the skills of our business community. Although the industrial age may be over, but industrial capacities are still very important. We must industrialise even as we involve ourselves in the business of the information age. We have a tremendous capacity to industrialise because we have the intellectual skills and the business acumen to build and operate the industries which can supply us with our needs. After all we have seen how Japan, Korea and China have industrialised and are set actually to dominate the world. We are not inferior to them in any way. What they can do we can do. In the process we will enrich the Muslim world and a rich Muslim world will provide a market for us and the other countries as well. A rich market is a power in itself. Part of our salvation lies in the capacity to shape the international economic regimes through the richness of our market and through the natural wealth that we have.

17. Today no country can develop all on its own. We are all interdependent, though some may be less dependent than others. The rich are as dependent on the poor as the poor are dependent on the rich. Pooling resources is essential when doing business. Outsourcing is the name of the game today. We can participate in this process. We can also provide complementary roles among ourselves in the production of industrial goods so that we can avoid costly duplication. If we are jointly involved then it would be natural for us to accept our own products for our market. There is nothing like a strong home market to support and ensure the success of products. And we theoretically have a market of one-sixth of the people of the world, a fair proportion of whom are rich.

18. Our religion provides us with good guidance on how business should be conducted. In addition our religion also teaches us good values which we must uphold all the time. There are some who think that the only way to make a profit is to cheat or to be slightly dishonest. We may think that we may get away if not in the next world at least in this world. We should disabuse ourselves of this. Honesty is the best policy in business. We have seen how in the rich countries of the West numerous giant corporations have collapsed because of dishonesty. Muslims must establish for themselves a reputation for honesty and fair dealing, not by words but by deeds. There can be no doubt that this will earn them success in business. Ethics in business leads to trust and trust leads to more business and more profits. And there is nothing like Muslim values and ethics to bring about trust and success to the Muslims.

19. Greed is our greatest enemy. We must avoid greed like a plague. It will poison our thinking and lead us to unethical practices. We may gain in the near term but eventually we will

have to pay a price, sometimes a very high price, now and in the next world.

20. Our business practices should be in accordance with Muslim business ethics and values. These we may know as a general rule and may even come naturally to us. But modern business is very complex. It is not just about barter or trading, about selling and buying goods. We deal a lot of times with intangibles, about futures, about speculations and often face moral hazards. Good business practice for the Muslims must be well thought out, documented and taught systematically. It is good to quote from the Quran and the Hadis but quite often this merely represents lip service. We need to practise in line with these quotations.

21. We can learn business at business schools. There is nothing very wrong about what is being taught in the business schools of the West. But there is a need for Muslim business schools where the Muslim business ethics are developed, expanded and taught systematically. We need to know the rights and wrongs of doing business as Muslims. We need to establish certain standards. We need to propagate these ethics and standards, whether we do business among ourselves or with others. While we should develop Islamic business ethics we must not reject the ethics and systems of today which are not against the teachings of Islam simply because we want to be different

22. We have seen how Islamic banking has now been accepted. Doing business in conformity with Islamic ethics would in time be accepted also. We need not try to force our systems on others. In the same way we should not be forced to do business only in the way prescribed by others if they are unfair to us. We should resist them not always because of our religious piety, but simply because they constitute bad and unfair practices. There is too much gambling in the market place today which results in the exploitation of the poor by the rich. There is too much greed. Profiteering and usurious practices are rampant. We must reject these. Business is about making profits. But it should not be such that others would suffer. Thus the kind of currency trading which leads to the impoverishment of countries and people, to violence and destruction, should not be indulged in by Muslims. Reasonable profit through ethically acceptable trading practices should be our objective

23. All these and more can be taught in Muslim business schools. We should establish such standards as to give stature and success to Muslim businesses. Just as today we go to the great business schools of the West, there may come a day when Muslim business schools would attract students of business

from all over the world. It would not do world business any harm. It should in fact stimulate world business once it is established that Muslim business practices would bring about success and a win-win situation. This is entirely possible.

24. This should be the agenda of the OIC Business Forum. Going to war and colonising other countries in order to secure markets and resources should be rejected totally by us. We should seek instead to create a peaceful and prosperous environment where everyone can gain something for himself. God willing,

Inshaallah we will succeed.

Excellencies, Distinguished participants, Ladies and Gentlemen,

25. I hope this OIC Business Forum will generate goodwill and businesses which will enrich the Muslim ummah and the world.