

The 4th World Islamic Economic Forum
Conference Report

State of Kuwait | 28 April – 1 May 2008

contents

5	Special Message by Tun Musa Hitam Chairman, WIEF Foundation
6	Special Message by Tan Sri Ahmad Fuzi Abdul Razak Secretary-General, WIEF Foundation
7	Special Message by Syed Abu Bakar Almohdzar Managing Director, WIEF Foundation
9	Introduction by Fazil Irwan Som Director, Editorial and Business Development, WIEF Foundation

day 0

28 april 2008 pre-conference programme

12	WIEF Businesswomen Forum: "Capacity Building & Synergistic Linkages – The Way to Success"
22	2nd WIEF Young Leaders Forum
30	Development & Finance in the Islamic World: Between Islamic Development Agencies, Kuwait & International Financial Institutions
32	Meeting Programme of the Commercial & Islamic Chambers Chairmen & Businessmen with Members of the Kuwait Chamber of Commerce & Industry

day 1

29 april 2008

38	Official Opening Ceremony
42	Leadership Panel: Islamic Countries in a Competitive World
46	Parallel Session: Small and Medium Enterprises
49	Parallel Session: Telecommunications, Transport & Logistics
52	Parallel Session: Infrastructure & Real Estate
54	Parallel Session: Tourism & Travel

contents

day 2

30 april 2008

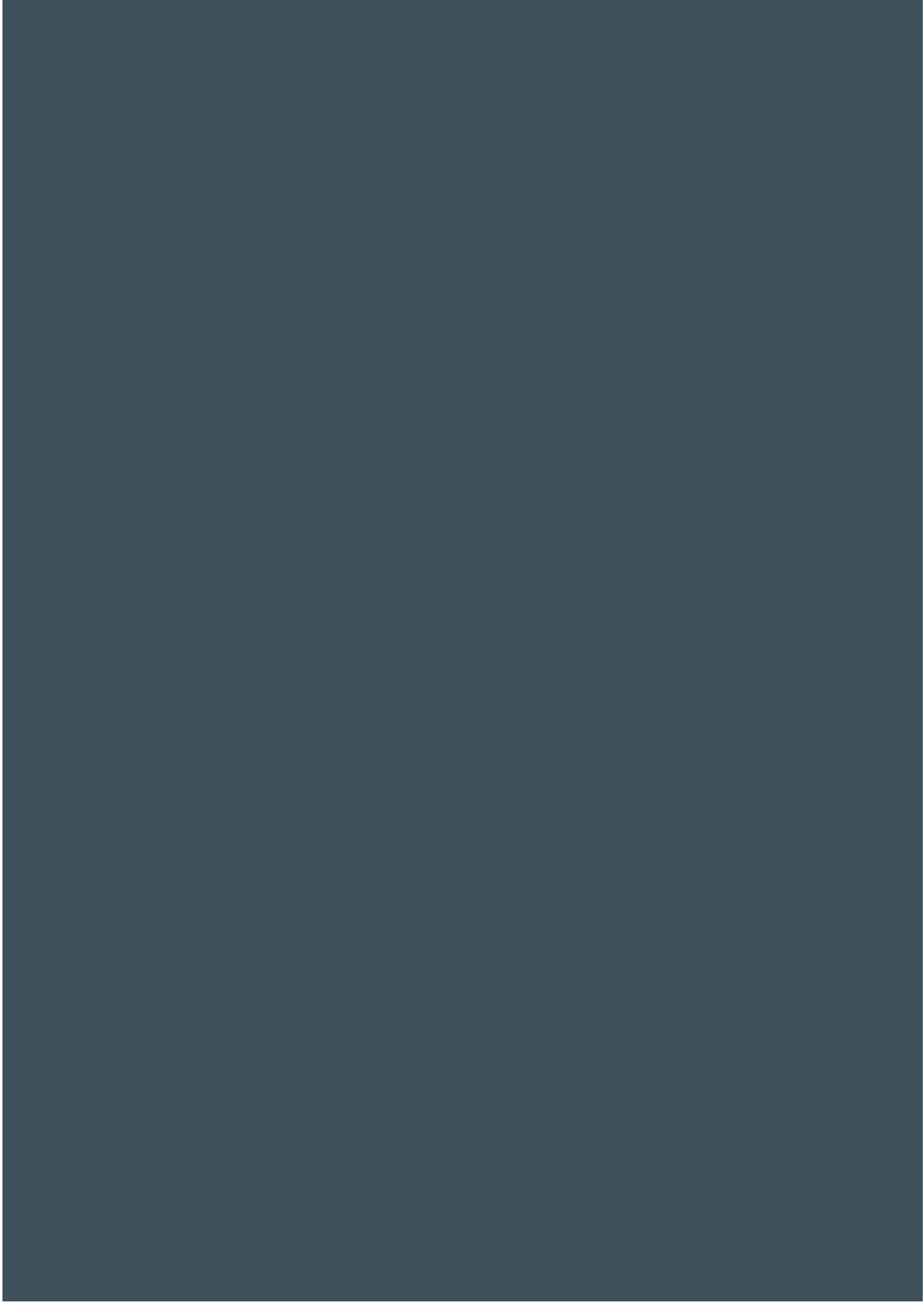
58	Plenary Session: The Muslim World as a Burgeoning Market
64	Plenary Session: The Future of Energy in a Changing World
67	Plenary Session: Economic Partnership between the Gulf Cooperation Council Countries (GCC) & the Muslim World
71	Plenary Session: The Role of Investment in Poverty Reduction

day 3

1st may 2008

76	Parallel Session: Education and Development in the Islamic World
79	Parallel Session: Private Sector Role in Development
84	Concluding Session
87	Concluding Speech by the Patron of WIEF Foundation: The Hon. Dato' Seri Abdullah bin Haji Ahmad Badawi, Prime Minister of Malaysia

91	About The Organiser and Supporting Organisations
96	Programme of the 4th WIEF
116	Photo Gallery
112	Declaration of the 4th WIEF
114	Acknowledgement





It gives me great pleasure to present to you the Report of the 4th World Islamic Economic Forum that was held on 28th April – 1st May 2008 in Kuwait. I wish to take this opportunity to record my sincere gratitude to the Emir of Kuwait, His Highness Sheikh Sabah Al Ahmad Al-Jaber Al-Sabah, the Prime Minister of Kuwait, His Highness Sheikh Nasser Al-Mohammed Al-Sabah, the government and people of Kuwait for their generous hospitality in hosting the Forum.

I am pleased with the success of the Forum in bringing together prominent Heads of State and Government as well as notable captains of industry, young entrepreneurs and businesswomen from various parts of the world including the Middle East, Southeast Asia, the African continent, and the Commonwealth of Independent States (CIS) to discuss various topics, with a view to strengthening business collaboration amongst the Muslim business community. Being the first Forum to be held in the Middle East, I was particularly glad to note the significant business interests converging between these diverse continents with the presence of a highly liquid pool of sovereign funds coming from the Gulf countries. The 4th WIEF in Kuwait could in many ways be described as a watershed in introducing Gulf capital right in front of the doorsteps of emerging businesses around the Muslim world.

This Report of the 4th WIEF is an encapsulation of the pertinent discussions held during all the Sessions of the Forum including the Young Leaders Forum and the Businesswomen Forum.

It is my sincere hope that this Report would provide a useful insight of the Forum and a handy source of reference for not only those who attended the Forum but also those interested in following the discussions held at our previous Forums.

I wish to thank the participants of the 4th WIEF in Kuwait and look forward to welcoming you once again to our 5th WIEF in Jakarta in February 2009.

A handwritten signature in black ink, appearing to read 'Tun Musa Hitam', written in a cursive style.

Tun Musa Hitam
Chairman
WIEF Foundation



I am honoured to assume the post of Secretary-General of the World Islamic Economic Forum (WIEF) at the end of the 4th WIEF in Kuwait. The WIEF is now entering a new phase of its development since the convening of the 1st WIEF in Kuala Lumpur in 2005. With the establishment of a permanent

Secretariat and the recruitment of additional staff within a new organizational structure, the WIEF is now poised to widening its reach in pursuit of its objectives. Members and participants of the Forum can now look forward to a better coordinated and more efficient organization of both our annual and regional events in the years ahead.

The publication of WIEF related materials, as manifested by this Report of the 4th WIEF, would be an important aspect of the work of the Secretariat. It is our sincere hope that WIEF publications would be a useful source of information and reference to all those keen in doing business in the Muslim World.

The Secretariat is fully aware of the existence of various national, regional and international Forums dedicated to pursuing similar objectives. It is observed that members and participants of the WIEF are also involved or associated with programmes organized by such Forums. It would be our strategy to preserve the distinctive character and global stature of the WIEF. Unhealthy competition and wasteful duplication of resources would be avoided through a more effective coordination of programs and activities with the relevant Forums.

Having witnessed a highly successful 4th WIEF in Kuwait, efforts are now being devoted to detailed preparations for the holding of the 5th WIEF in Jakarta in February 2008. Various sessions of special interest to all participants of the Forum are being planned and we look forward to your continued active support and cooperation.

A handwritten signature in black ink, appearing to read 'Ahmad Fuzi', with a stylized flourish at the end.

Tan Sri Ahmad Fuzi Hj. Abdul Razak
Secretary General
WIEF Foundation



I am pleased to report that the newly established permanent Secretariat of WIEF in Kuala Lumpur is now ready to serve members and participants of the Forum. Various organizational and functional aspects of the Secretariat are now being put in place to meet this objective.

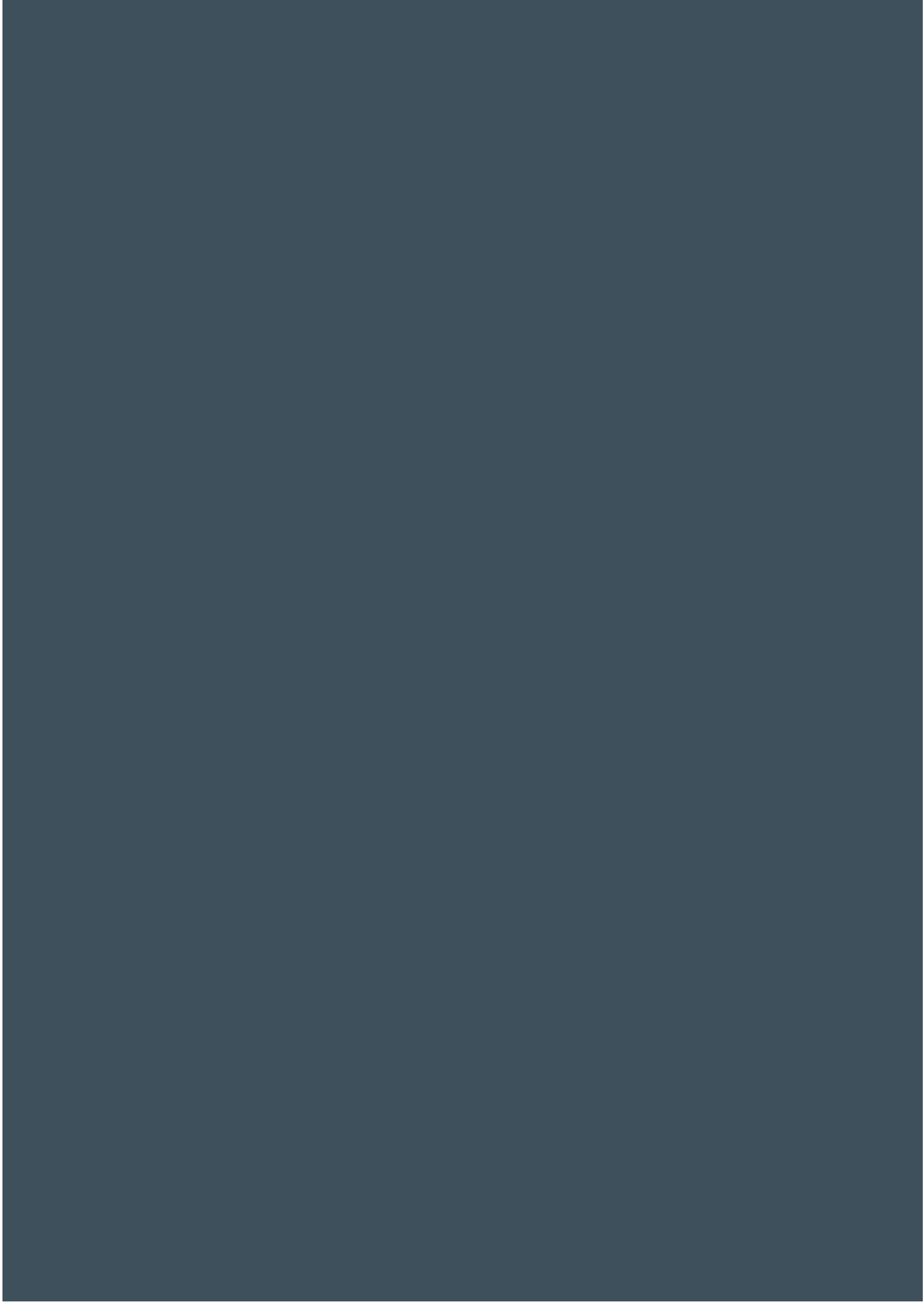
The publication of this Report of the 4th WIEF would no doubt promote greater awareness and interest of the Forum amongst members of the business community. Appropriate research activities would also be undertaken to enable the Foundation to enrich its corpus of publications.

We recognise that adequate funding is crucial to the success of our Forums and to enabling us to carry out our programmes and activities including those undertaken under the framework of the Young Leaders Forum, the Women Business Network and the WIEF Education Trust. Towards this end, greater efforts would be made at increasing the membership of the WIEF as well as the sponsorship and support of WIEF's wide ranging projects.

We are keen to ensure that membership of the Forum would bring various privileges that we hope to incrementally improve over the years. I wish to take this opportunity to urge business corporations, individual businessmen and relevant institutions to become members of the WIEF thus enhancing mutually beneficial business collaborations.

A handwritten signature in black ink, appearing to read 'Syed Abu Bakar Almohdzar'.

Syed Abu Bakar Almohdzar
Managing Director
WIEF Foundation



This post-conference report book is a compilation of proceedings taken from the various plenary and parallel sessions of the 4th World Islamic Economic Forum that took place in Kuwait on the 28th April to 1st May 2008. The proceedings are a summary of key points that resulted from the rich dialogue between the panelists of these sessions as well as from participants during the Q&A session.

Unlike the previous year, this book mainly consists of notes taken from our team of rapporteurs who were tasked to cull useful and pertinent information from the sessions based on a set of guidelines. This includes points that has direct relevance to the topic at hand, and most importantly, to highlight those information that contains not only current knowledge or status update of the industry in question, but also action-oriented points. In other words, if there are any points proposed by the panel or by the participants from the floor that provides some kind of practical idea or a feasible plan to a problem discussed, these will constitute the main chunk of notes for that session. The format of the notes, as you may notice, will obscure for the most part, the proposer of the points mooted. The reason for this exercise is simply because there are numerous ideas and opinions floating around the sessions and it will be an editorial mess to include the names of all these individuals. However, if the idea is part of a presentation given by a panelist that is substantiated with facts and action plans, the names of these proposers might be included in the pages.

You will also find in this book selected photos of the Kuwait Forum to encapsulate the intensity and positive mood prevalent throughout the 4 day event for the benefit of the reader. This book will also contain a glimpse of the meeting of the WIEF International Advisory Panel, the Declaration of the 4th WIEF, and a copy of the 4th WIEF programme as a point of reference for the conference proceedings. I hope this book provides the reader a fresh insight of the contemporary discussions and issues affecting the business landscape in the Muslim world. Look forward to welcome you to the next Forum in Jakarta in 2009.



Fazil Irwan Som
Director, Editorial and Business Development
WIEF Foundation

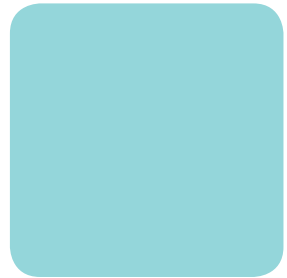




Rana Kamshad, Executive Director of Injaz Kuwait at the first plenary session of the WIEF Young Leaders Forum.



28 april 08 pre-conference programme



WIEF BUSINESSWOMEN FORUM

“CAPACITY BUILDING & SYNERGISTIC LINKAGES – THE WAY TO SUCCESS”



Participants listening intently during the WIEF Businesswomen Forum on 28th April 2008

H.E. DR. SHEIKHA HISSAH SAAD ABDULLAH AL-SALIM AL-SABAH, Chairman, Organizing Committee, Kuwait, said that this Forum would deliberate on the role of women in the economy, what women must do to move forward, and how women can work together in the area of business and sharing of experiences amongst us. Half of the world's population lives on USD\$2 per day and a third of the poor are women. A third of the world's population who are illiterate are also women and 17.1% of the women are unemployed as compared to men that represent 10.6%. Further records also say that an average of 35.3% of young women aged between 15 to 24 years old are unemployed. The Arab women's share in business participation is the least in the world and this trend will continue if no efforts are being done to address this situation.

In 2003, Arab women's participation in the economy was 49% where 28% of them are employed and they helped to raise the standard of living of their families. An analysis was made on 13 Arab countries on women's participation in business and found out that 36.1% in Tunisia, 56% in Morocco, 25% in Algeria and 43% in Egypt of the women are involved in business. Since 80% of them are married and have families, they need the extra money to help the economy of their families. They are involved in businesses such as tailoring at home, handmade products, food products and so on, but 80% of them earn very

small income. However, 90% of these women are illiterate and there are no efforts to help them to overcome this problem, hence the reason for the big gap that exists between the men and women in business. Thus, the Arab women do face a lot of difficulties and problems in business and it is hoped that at this Forum, we are able to share ideas and experiences and to look at tangible actions and recommendations on what women must do now to build capacity and linkages amongst them in order to move forward to success in the near future.

DATO' DR NORRAESAH MOHAMAD, Chairman, WIEF Businesswomen Network, mentioned that the objectives of this Forum were to bring together businesswomen and entrepreneurs from various sectors to interact, exchange ideas, identify best practices and eventually to establish effective synergies and create useful networking support. It is hoped that at this Forum, challenges would be identified,



and synergies established to create network and support for women. She also mentioned a short history of WBN (Women Business Forum, an initiative of the WIEF Foundation), born in 2005 at its 1st Forum in Kuala Lumpur. The first initiative to discuss issues and challenges faced by businesswomen from the OIC member countries was held during the 2nd WIEF Forum in Islamabad, Pakistan in 2006. The 1st WBN was held in Kuala Lumpur in May 2007 as a prelude to the 3rd WIEF Forum where about 400 delegates coming from 13 countries attended it. She mentioned that from the business matching programme set up, transactions worth RM14 Million (USD\$3.5 Million) were concluded.

As part of some of the initiatives that had been taken, three MOUs were signed in Islamabad to develop nurses training programmes between enterprises in relevant sectors in

Pakistan, Sri Lanka and Malaysia. The next plan now is to set up a Training Centre for Women Entrepreneurs with the cooperation from IDB and negotiations are currently taking place with several universities and training organizations to enter into an agreement to conduct entrepreneurial development programmes for women as training is an important element for women to remain competitive in business.

She recommended that women must take advantage of the rebranding image perception, as the world is moving towards a more women-friendly economic environment. Women must start with women supporting women and that we should introduce a new benchmark and key performance index. Women continue to receive only a fraction of the billions of dollars of traditional credit facilities and VC funds and funding remains a compelling issue. It is hoped that delegates and speakers could look at new initiatives to democratize capital and to narrow the serious capital gaps.

MRS AZZA FAHMY, Chairman/Owner AFJ Group of Companies, Egypt, related her journey of creativity as a businesswoman and an artist. She had worked with the Government for 8 years before starting her business from a one-woman-show to a structured international organization having branches in Bahrain, Dubai, Yemen, Cairo and Alexandria. She shared her interest and passion for designs reflecting her inner personality. She started with the theme of nature, which then moved on to culture where she incorporates poems in her designs of the jewellerys that she makes. Her company had worked for 5 years on small projects before they moved on to bigger plans and now her Company employs about 200 staff. For the last 3 years they have received much publicity in the media like in The Economist, Financial Times, Forbes and some magazines in Europe and Japan. Azza Fahmy is currently writing a book and she intends to set up a training centre to teach and train students at high-level education and graduate studies.



Dr. Sheikha Hissah Saad Abdullah Al-Salim Al-Sabah giving a speech in front of a full crowd of participants of the WIEF Businesswomen Forum

WIEF BUSINESSWOMEN FORUM

“CAPACITY BUILDING & SYNERGISTIC LINKAGES – THE WAY TO SUCCESS”

SESSION 1

CHALLENGES FACED BY WOMEN ENTREPRENEURS

DATO' DR NORRAESAH MOHAMAD, Chairman, WIEF Businesswomen Network, moderated the session and introduced the speakers.

MRS SAHAR AL-SALLAB, Vice Chairman and Managing Director, Commercial International Bank, Egypt, stressed that women must be technically able and be trained to manage well to work with men. Leadership is growing very fast in this part of the world and women can now work better and be team members and players to enable them to lead businesses better. If women take work seriously and deliver effectively, entrepreneurship will be easy.

MRS MAHA AL-GHOUNAIM, Vice Chief Executive, Global Investment, Kuwait, said that there are still not many women in the areas of investment and banking sectors and let alone holding leading positions. So, what does it take for women to hold jobs in the banking and investment (both public and private) sectors? The opinion is that women cannot be entrusted with cash or money. She said that in the past she rarely saw women attending business meetings with founders of the family business. However, now there seem to be some changes across the GCC (Gulf Cooperation Council) region and it is a new beginning. However, this does not mean it is necessarily getting easier for women. Today with global investment it is getting more difficult and more competitive. Women must learn to “multi task” and juggle many roles and need to manage these roles at the same time. Women must learn to strike a balance and only then can they succeed.

MRS ELHAM HASSAN, The Country Senior Partner for PricewaterhouseCoopers, Bahrain, suggested that a “women economy” be created as all designs in the business world are designed to fit men and has no gender sensitivity, so women need to work in their own vocabulary. She also



Taking time off for the cameras after the plenary session

suggested that women must change the stereotyping in society of their image, for example breaking the stereotype that women have to work hard to get to the top. She also said that women need soft skills to go forward and be successful in the business world.

PROF ELISABETH ENGELLAU, Programme Director of Insead Global Leadership & Adjunct Clinical Professor of Management, France, said that her Business School focuses more on the private sector and although the world is changing it is taking place at a slow pace. In the public sector, women are becoming more prominent, although it is much slower in the private sector. So, what is holding the women back? This is because women very rarely make a move from the functional management to a line management. And she also pinpointed that it is important for women to be a part of a formal network. At the same time women are not good at self-promoting. They need to address and deal with stereotyping issues and preconceptions of women's roles and their abilities. At the same time, women have greater commitment to personal or family responsibilities. Also, women have the biological clock to worry about which the men do not have to.

MS ROKIA ARAHMAN, Chairman, Women's Entrepreneurs Association of Bangladesh & Chairperson, Arlinks

WORKSHOP 1: NEW ESSENCE OF BUSINESS

MODERATOR: Mrs Begum Salma Ahmed, Founder/ President and CEO, Women's Chamber of Commerce and Industry, Pakistan introduced the session and panelists.

Eng Manr Al-Hashash, Member Of High Level Panel Of Advisers Of Gaid-United Nations, Kuwait, said that the United Nations is working on global alliance in ICT development to develop and improve lifestyles depending on the needs of the various regions. Among the issues in using ICT for development include:

1. Barriers: – Issue of accessibility dependent upon availability of hardware and infrastructure and income per capita
2. Business: – Need to look for current and future solutions including legal issues, which encompass copyright laws, which affect innovative entrepreneurs.
3. Governments: – Regulatory framework necessary regardless of the size of the businesses. Copyright protection is a major issue and no laws currently afford complete protection.

Mrs. Abeda Almahdi, Managing Director, UNICONS Consultancy Ltd. Economic Consultancy Ltd emphasized that technology has increased levels of accessibility to international markets. However, this is also dependent on user skills. There has been increase in internet users in the last 5 years and ICT has given another aspect of trade compared to the traditional marketing tools and has seen an evolution amongst women entrepreneurs. Internet is accessible, friendly, and secure and has presented new opportunities to reach markets, ultimately building the economics of a country.

Threats have also surfaced, as there are insufficient Arabic software/literature to fully optimize the Internet. In

addition it gives rise to illegal trade and misuse of ideas, merchandise and products. It also gives rise to knowledge that is not necessarily ethical. Technology ignorance can be surmounted with governments giving top most priority to education and research and development.

Ms Parvin Ali, OBE, CEO and Founder, FATIMA Women's Network, UK said that ICT complements the mobility that we have come to expect and it has increased productivity and allows for the exploitation of new ideas. Customers expect systems to be in place, which is essential for the safeguarding of companies' reputation and gives the company competitive edge.

IT is less expensive, less complex and offers mobile solutions. 84 percent of the 18-24 age group in UK are looking at work life balance, which is exactly what is offered by IT. There is increased efficiency, flexibility and reliability and is also environmentally friendly. The questions that need to be answered in using ICT :

1. Do customers have Internet access?
2. Do they have the knowledge?
3. Do they have the speed to address needs of customers?
4. What is the method of payment preferred by the customers?

Opportunities and Challenges in using ICT:

1. Adapting to new demands
2. Business-to-Business – Quality of services offered.
3. Innovative Strategies
4. Delays and possibility of being excluded from major business deals due to usage of older marketing tools.
5. Fear – Fear is the biggest obstacle in moving forward.

WIEF BUSINESSWOMEN FORUM

“CAPACITY BUILDING & SYNERGISTIC LINKAGES – THE WAY TO SUCCESS”

WORKSHOP 2: NURTURING LINKAGES AND CREATING SYNERGIES

MODERATOR: Mrs Olive Zaitun Kigongo, President, Uganda National Chambers of Commerce and Industry.

She said that in this workshop, the speakers would discuss the topic of how to stay afloat, how to make women more visible and how to maintain and participate in business and compete globally?

Ms Hanaa Al-Hilali, Director General, International Cabinet of Ministers, Social Fund for Development, Egypt, stressed the necessity of empowering women in economy. She said that it is difficult to link and create synergies when women are deprived with no access to bank facilities. She gave an overview how the SFD (Social Fund Development) has helped 750,000 graduates from universities in employment, which represents a part of the 2.3 million jobs that SFD has helped to create so far. SFD provides SME & MC (micro credit) entrepreneurs with attractive loans that give lower interest rates than the normal bank loans and their target groups of SMEs are house headed females, active poor families, entrepreneurs, university graduates and small farmers. SFD has received small default rates of beneficiaries, that is less than 1% from MC loans and between 3-5% for SMEs and mostly the SMEs are women business owners. The company helps women to develop capabilities and enhance skills to establish SMEs, and to adopt the approach of private business of females like sharing success stories with the women as well as to conduct workshops and forums. The company also helps to establish business women communication network to exchange experience and to promote exports. So far, SFD has transferred their technical knowledge to countries like Yemen, Syria, Lebanon, Saudi Arabia and also Kuwait.

She recommends that the Forum come up with a list of businesswomen who had attended the Forum for the purposes of business matching. Participants need to come up with tangible results at the end of the Forum. She also suggests establishing an industrial hub (in Egypt, they are coming up with an industrial hub with the Chinese) and Africa has a lot of potential. She also suggests to do franchise business as this kind of business is already “branded” and established in the market.

Mrs Livia Samaestri, President of International Business & Professional Women Union, said that there is no development tool that is more effective than the empowerment of women. Despite the multiple commitments that have been underwritten, including the Cairo conference in 1994, the Beijing conference in 1995 and the summit of the Millennium in 2000, inequality between men and women remains in many countries where human rights are concerned. As the World Bank has stated, inequality between sexes annuls the efficacy of development policies and as a result of this, millions of women are unable to improve the quality of their lives and of their families.

The goals of the millennium campaign that must be realized by 2015 which are of extreme interest for women are to ensure that all boys and girls complete primary school, to promote gender equality and empower women, to reduce by three quarters the ratio of women dying in childbirth, and to develop a global partnership for development. She suggested that the poor and rich countries alike are involved in this global deal and all citizens should lobby their governments to press them to work towards achieving these goals. The spread of globalization and new information technologies are



Delegates networking before the session

revolutionary in changing business and professions as well as private lives. She suggested that it is important for the future of our society and in the interest of world peace to continue to reinforce global dialogue. She suggests that we face these problems at global level, but more importantly is how do we deal with them effectively at the local level, like the saying “think globally, act locally”.

Mrs Fadhela Al-Khan, from Project Finance Department and Remedial Department of the Bahrain Development Bank, Bahrain, presented on Bahrain Development Bank (BDB) that was set up in March 1992 which is instrumental in creating employment opportunities for Bahrainis. The objectives of BDB are to help contribute towards the socio-economic development of Bahrain, to encourage the growth of private sector and to broaden the entrepreneurial base, to extend financial and technical assistance to SMEs, among others. Earlier they were asked to concentrate on manufacturing sector more so than the other sectors, but later BDB financed the other sectors of the economy as well. The rules and requirements for financing are now a bit relaxed. BDB

facilitates the provision of developmental services to its SME clients through a close network of institutions. Some of BDB's financing services are in the areas of project finance (which are not only in the area of manufacturing, but also in the industry and service sector, small trading, tourism, healthcare, education, architecture, and engineering), equity financing, Islamic finance, education loan, agriculture finance and fisheries. As a development bank, it is not their business to destroy business, and they are there to assist business owners in financing.

Mrs Douja Gharbi, President & Founder, Forge de la Louve, Tunisia, stressed and emphasized that women must be empowered to expose them to technical know-how in order to move forward and be successful.

In the Questions and Answers session, it was raised that the problem lies in disorganized SMEs without technological know-how. Micro financing for the poor is more important. An awareness programme must be carried out to the women on MCs and how this kind of financing could help to raise their economy. A permanent exhibition should be held in promoting and selling of products in the Arab countries. At the moment there are already 14 Arab countries that have joined in the union for SMEs in promoting and selling products and services and it is hoped that this union will become a hub to import and export products and services.

WIEF BUSINESSWOMEN FORUM

“CAPACITY BUILDING & SYNERGISTIC LINKAGES –
THE WAY TO SUCCESS”



Participants waiting anxiously for the session

Limited, started her business 27 years ago and had no problems to borrow money and to put the business under her name. In Bangladesh, women have no problems to borrow money and they can keep their business, and to take care of their kids, families and to pay their loans. Their lifestyles are better as kids go to better schools, their husbands and in-laws and families appreciate them. In 2006, the Women in Small Enterprise Association was set up and their focus is to organize training programmes for the women and to extend some financial support to assist them in their business. At the moment, this Association has about 5 million women members and many are doing very well. With the micro credit facilities they make available to women, now many businesswomen look forward to having bigger businesses.

In the Questions and Answers session, Dato' Norraesah said that there are two challenges for women; the internal challenge – the values of oneself – and the external challenges – changing

stereotypes of women by men. Secondly, she suggested that perhaps it is a good idea to include and involve the men in all of our Forums so that the men will know and understand what we want and are talking about. She suggested that a third of the participants in the next Forum be men.

SESSION 2

IGNITING THE SPIRIT OF ENTREPRENEURSHIP

MS BARIA ALAMUDDIN, Editor of Media Services Syndicate, Foreign Editor of Al Hayat, UK, moderated the session. She said that in this session, the panelists would be discussing their peak successes and engaging in dialogue allowing them to share how entrepreneurs succeeded respectively. Ms Baria started by asking some questions to the panelists.

Question 1. You were born with silver spoons in your mouth and actually you do not need to work but why do you do it anyway?

MRS FAWZIA MUBARAK EL-HASSAWI, Director of Business Development, Al-Hassawi Group of Companies, Kuwait, said that she is the oldest in her family and her father had taken good care of her since middle and high school.

Her father had trained and allowed her to travel all over the world. She has always been interested in real estate and estate development. She now owns hotels and manages them as well as owns a retail business. She likes to do what she does and having the 33 years of knowledge and experience behind her, she would like to transfer that knowledge and share her experience with her family and the women community.

SUGGESTIONS AND RECOMMENDATIONS FROM THE SPEAKERS AS WELL AS PARTICIPANTS FROM THE FLOOR:

1. To come up with a mailing list of participants who had attended the Forum with complete details and distributed around for business matching and networking purposes.
2. To establish an industrial hub between Arab countries and Africa.
3. To develop franchise business as it is one of the most successful global business strategies to use for expansion of the company and market.
4. To promote widely MCs to women so that they are made more aware of this facility to assist them to raise their standards of living and lifestyle.
5. To have a permanent exhibition displaying products and services and hopefully to make this a hub for exporting and importing activities.
6. To introduce the subjects of Entrepreneurship in schools so as to instill the interest and passion in business amongst the younger generation. Also must instill the love for entrepreneurship in the upbringing of kids to aspire to become businessmen and businesswomen and not to depend on working and earn income.
7. Suggests to emulate China in the re-use and re-cycling of wastes programmes to get alternative energy and at the same time to help address some of the pressing issues in the environment.
8. To promote a holistic approach of entrepreneurship programme to help women to network better between the Arab countries and Africa
9. To empower women in SMEs – no discrimination between boys and girls and men and women and to formulate policies that will be able to attract women to do more business.
10. To have more women political representation so that the voices are louder and they can lobby with the government on issues relating to women, in specific in the area of business.

Mrs Olive Zaitun Kigongo ended the workshop by announcing that in June 2008 the Chamber of Commerce Uganda is organizing a conference in Kampala and she extends her invites to all the participants to attend and to see where they can help each other.

WIEF BUSINESSWOMEN FORUM

“CAPACITY BUILDING & SYNERGISTIC LINKAGES –
THE WAY TO SUCCESS”

MRS MADAWY AL-HASSOUN, member of the Board of Jeddah, Chamber of Commerce & Industry, Saudi Arabia, said that she has been working very hard for 31-32 years and had a vision to achieve success. She tried to balance home and work, being a mother, wife, and grandmother as well as working towards her goals. She had a good mentor (her father) who taught her to manage her time well. She started her family business, ie stores, from scratch and shouldered all responsibilities. She would like to change the perception of Arab women by traveling around the world and telling what Muslim women have now achieved.

MRS FADZILAH AHMAD DIN, Director of Enterprise, Development and Entrepreneurship Division, Small & Medium Industries Development Corporation, Malaysia, said that women in Malaysia work for economic reasons. Her company develops small and medium businesses in Malaysia. What makes her tick is to be part of her company and help to develop and build small and medium businesses grow by way of offering training programmes, among others.

MS NAJAH HASSAN AL-AALI, member of the board, Haj Hassan Al-Aali Group, Kingdom of Bahrain, said that she works very hard to find her own identity and self-fulfillment. She is thankful that she has her father to support her all the way.

MRS RAJA EASA AL-GURG, Chairperson, Council of UAE Businesswomen & Managing Director, Easa Saleh Al-Gurg Group, UAE, said that she is a mother and wife and she strives to fulfill her huge responsibilities.

Question 2: Would you all consider your success as your father's success or your own? Did you establish something for yourself under your own name or your father's?



Dato Dr. Norraesah Mohamad, Chairman of the WIEF Businesswomen Network, presenting her speech at the podium

MRS FAWZIA MUBARAK said that she started working on her own 25 years ago when she started her own business. Her special interest in real estate was developed since young and she studied real estate management in the university. She is being entrusted by her father to carry out the work in their company. She feels that women must safeguard their dignity by making their own money rather than taking it from their fathers or husbands. They should be proud of their own success but of course, if they can get more money from their fathers or husbands, then why not?

MRS RAJA EASA AL-GURG said that business is being dominated by men and they always put women in the “second category”. Women still face a lot of discrimination and need to prove that they are good businesswomen.

MRS FADZILAH AHMAD DIN, said that in Malaysia, it doesn't matter if you are a woman or a man for as long as you are able you have equitable rights and the salaries are the same among men and women. There are even more women than men in universities. However, there still exists some degree of prejudice in the playing field.



Listening with rapt attention at the “Igniting the Spirit of Entrepreneurship” session



Two delegates from the Middle East having a light chat after the session

Mrs Najah Hassan Al-Aali, said that women at the workplace should not be isolated, instead they should be working together with the men.

Question 3: Why not have men’s participation in our next conference?

All the speakers agreed and said that both need to work closer together and complement each other. Women cannot isolate themselves from the men and their participation is equally needed.

Question 4: What is your daily schedule? Are you able to manage your time effectively and have a good balance between your career and social life?

Mrs Fawzia Mubarak said that she wakes up very early in the morning and organizes meetings with her secretary before checking her emails and plans her work for the day. Mrs Raja Easa Al-Gurg said that she works very hard but plays the domestic role at home.

Mrs Fadzilah Ahmad Din said that she looks into innovation programmes to bring up the levels of SMEs. She starts her day at 7am and ends at about 7pm or later and has a full day. She tries to balance work and social obligations well. In the Questions & Answers Session, speakers stressed that having a mentor is essential for women to achieve success, and the need for women to help each other rise in the areas of business.

2ND WIEF YOUNG LEADERS FORUM

H.E. JAMAL AHMAD AL-SHIHAB, Kuwait Minister of Social Affairs and Labour, Kuwait gave the Opening Address, stating that young businessmen need to be better integrated into the economic and financial life of the Muslim world by being highly competitive. This is a God-given mandate that should be fully lived up to.

In his Opening Remarks, **DATO' NAZIR RAZAK, Chairman of the WIEF Young Leaders Network (WYN)** gave a progress report on WYN Programmes. Namely, the three existing and operational programmes are the Groom-A-Leader programme consisting of the scholarship and internship programmes, and the "Let's Plug-In Education" programme.

COFFEE TALK SESSION

FACILITATING YOUTH DEVELOPMENT: THE ROLE OF LOCAL INITIATIVES

Moderator **SALEH AL-ATEEQI, McKinsey & Company, Inc. International** introduced the panellists.

DATO' NAZIR RAZAK, Chairman of the WIEF Young Leaders Network said that while Malaysia has had its affirmative action New Economic Policy (NEP) to help the Bumiputera community, crutches should not be there forever. Education, he said, is one of the most important tools in developing a society. Lifelong learning, internships and scholarships are good initiatives to help young leaders receive entrepreneurial training of excellent standards. Easy access for financing is necessary to allow small and medium enterprises to obtain financing that is conducive for business. Traditional banking models must change, such that banks become equity partners for society.

MIKHAIL ISLAM, Executive Director, Chittagong Skills Development Centre (CSDC) focused on social entrepreneurship, saying that there must first be an idea that exists and the desire to engage the idea. Strong trusting

relationships with customers and teams are necessary. This involves sharing the company's vision with the entire organisation. On-the-job skills training must also be provided on a consistent basis. Ensuring teamwork and cooperation is helpful to maintain healthy organisational relationships.

Mentorship promotes youth development by providing advice and financing. He emphasised that in order to be customer-focused and demand-driven, entrepreneurs must have a good understanding of their customers. Innovative solutions should be actively sought, with the right methodologies, tools and services to accompany these. Entrepreneurs must be patient in waiting for their business successes, being flexible and adaptable to customers' needs. He encouraged entrepreneurs that although it seems an uphill battle, this is the challenge and with the right elements of dedication, this would be achievable.



SIR IQBAL SACRANIE, International Advisory Panel member, **WIEF Foundation** highlighted that the ICT world (information, communication and technology) has transformed and revolutionised social consciousness, especially relevant to the young community. Despite this promulgation of knowledge, there are still a host of global crises; war, terrorism, poverty, hunger, economic crisis.

Some initiatives in the UK have started to address these, such as training and education programmes involving young people, NGOs and others already engaging with local communities. Mentorship schemes are positive steps in the right direction. Leadership programmes should ensure a close working relationship with professionals in industry.



Mikhail Islam, Executive Director of the Chittagong Skills Development Centre (CSDC) giving his presentation during the session on “Facilitating Youth Development: The Role of Local Initiatives”

In the Question and Answer session, it was emphasised that self-driven approaches are preferred over schemes that create an unnatural push for entrepreneurs and preferential financing schemes. Several action points emerging from this session were:

- The need to include more young women into the Young Leaders Network, creating greater opportunities for them;
- Introduce an international database bringing together global best practice for sharing within the Network;
- Enhance industry-academia collaboration (the “Education for Employment” scheme is one such example to learn from)

PLENARY SESSION

ENCOURAGING MENTORSHIP PROGRAMMES: DEVELOPING YOUNG LEADERS

Moderator **DATO’ NAZIR RAZAK**, Chairman, **WIEF Young Leaders Network** introduced the panellists of the plenary session.

HESHAM A. TASHKANDI, General Manager, **The Centennial Fund** shared about the Centennial Fund, which is a charity based on the principle of lending money to



Panelists of the WIEF Young Leaders Forum's session on Encouraging Mentorship Programmes: Developing Young Leaders (L – R) Khalid Al Zanki, representative of Young Arab Leaders Kuwait, Rana Kamshad, Executive Director of Injaz Kuwait, Dato Nazir Razak, Group CEO of CIMB and Chairman of WIEF Young Leaders Network, Mahmoud Atalla, Co-Chair of Prince of Wales' Mosaic Mentoring Programme, Hesham A. Tashkandi, General Manager of the Centennial Fund and Anas J. Meerza, Assistant Vice President of the Investment Technology Entrepreneurship Centre.

2ND WIEF YOUNG LEADERS FORUM

disadvantaged youth. Although initially it was unsure whether or not this model would work in the Arab world (after having adopted a Western model), four years later it has proven itself. Based on experience, however, only 30% of success comes from funding and the remaining 70% of entrepreneurship success comes through mentorship. The relationship between mentor and mentee has been extremely strong in the past, and this produces excellent results. Once people are convinced to make a difference, they merely need to learn how to do it. Mentorship is therefore the key in creating successful entrepreneurs. If approached right, results will speak for themselves.

MAHMOUD ATALLA, Co-Chair of HRH Prince of Wales' "Mosaic" (Mentoring) & Head of HSBC Private Equity (UK) said that many successful Muslim professionals want to give back what they have received to the community. The idea is hence to bring back as many advantaged mentees as possible. However, the Mosaic practice is to move beyond mentorship into creating linkages and networks amongst those having been mentored. This creates a better long-term investment into the relationship that is beneficial to both stakeholders.

ANAS J MEERZA, Assistant Vice President-Investment, National Technology Enterprises Company elaborated upon his company's investment into international technologies. Some specific areas within their technology entrepreneurship programme are: a training and development academy; a business incubator that simulates actual offices that provides full infrastructure and equipment for potential entrepreneurs, allowing young individuals the opportunity to conduct business without the concern of initial start-up costs. This is currently a requirement within the Gulf nations.

KHALID AL ZANKI, Young Arab Leaders, Kuwait described the Young Arab Leaders as an organisation that has grown significantly in recent years. Young Arab Leaders

has expanded rapidly into the region, attracting many young leaders. Some of its programmes include a secondment programme, where professionals from the Arab world are brought to the United States to receive employment training through job shadowing of senior managers. Likewise, American professionals are brought to the Middle East to observe how business is conducted there. One other programme is to get internship programmes within companies in Europe. Third, Young Arab Leaders also participates in conferences in Asia, bringing successful leaders together. One objective is to utilise different networks to become more successful in the long run.

RANA KAMSHAD, Injaz, Kuwait highlighted her organisation as one of the fastest growing in the world that promotes young people succeeding in the local and global economy, focusing specifically on economics and entrepreneurial development. Started in Kuwait, Injaz is an organisation that resulted from the collaboration between the private sector and major businesses to inculcate entrepreneurial development amongst the youth. Its efforts are to develop the education system, and create networks with major universities all around the world. The programme was piloted with ten schools in 2006, but the numbers of interested students were underestimated. Today, there are plans for students to come from Argentina and more projects are underway.



Dato Nazir Razak, Group CEO of CIMB and Chairman of the WIEF Young Leaders Network having a brief discussion with Saleh Al-Ateeqi from McKinsey & Company before their session on "Facilitating Youth Development: The Role of Local Initiatives"

In the Question and Answer session, it was established that the role of mentors was to act as a sounding board, providing guidance and emotional support as well as identifying mentees' strengths and weaknesses. Amongst potential action points were that greater attention should be given to students at university level. WIEF should also encourage greater cross-border investment, cooperating closely with multilateral institutions. There was a proposal for the Forum to include discussion of media and political discourse, which shape so strongly international impressions of Islam. Joint ventures should also be encouraged with members of the non-Muslim world.

STRATEGIC TALK SESSION

MONEY MATTERS: FINANCING SME BUSINESSES

Moderator JASEM AL-AMMAR, Industrial Bank of Kuwait started the session with some opening comments, stating that the door is now open for trading projects to take place.

TENGKU ZAFRUL AZIZ, CEO of Tune Money explained his business model of selling financial services online. He outlined his ideas of what entrepreneurship should be about, namely to create companies and organisations capable of reinventing themselves. Entrepreneurship funds should be ensured to not have undue restrictions, lest they cannot be channelled to the people they actually target. Such funds distributed by financial institutions should therefore have simpler criteria of qualification. Failures should be considered as key stepping stones to success. Seed funding should make it easy for new entrepreneurs to access funds, as well as giving the opportunity to reach the next level. Corporate figures who have "made it" should share their secrets and corporate strategies in mentoring younger entrepreneurs. A nation of entrepreneurs requires financing, guidance and nurturing to succeed.

HASSAN MOHAMMAD AL-QUNAI, General Manager of KSPDC Kuwait, highlighted his company's desire to



Some of the panelists of the third session on "Money Matters: Financing SME Businesses" (L – R): Hassan Mohammad Al-Qunai, General Manager of KSPDC Kuwait, Dr. Fathi Osman, Professor in Public Authority for Applied Education and Training Kuwait and Tengku Zafrul Aziz, CEO of Tune Money Malaysia.



Participants listening intently during the session on "Money Matters: Financing SME Businesses"

promote youth involvement in the private sector. Established in 1997, the KSPDC's main objectives are to promote youth engaging in open-market employment. This promotes the spirit of positive competition, which is integral to any successful venture. It also develops a level of creativity with the ultimate objective of harnessing human capital, which is a pillar of the development process.

Youth were encouraged further to start up small businesses, and 80% of the capital would be contributed by the company, which is a fairly sizeable amount. The partnership guarantees that the individual is not tied with the company through interests, fees or guarantees. Profit up to 55% of the project value would be retained, providing an encouraging tool for young entrepreneurs.

2ND WIEF YOUNG LEADERS FORUM



A participant asking a question from the floor during one of the sessions at the WIEF Young Leaders Forum

DR FATHI OSMAN, Professor, Public Authority for Applied Education and Training, Kuwait presented a paper on SMEs in Kuwait, which is an attempt to diagnose the actual status quo and foresee future prospects. The first objective was to identify what is meant by an SME, since there is a myriad of standards to define it: the capital, number of employees, revenues generated by sales. According to Dr Osman, an SME is a company made up of less than 50 employees, with volume of capital not more than 0.5 KD.

The SMEs contribute significantly in the economic development of any country, playing a pivotal role in overcoming unemployment especially in Islamic countries. Young people should be given the opportunity to start their own SMEs. He also stated that SMEs reinforce national economies by reducing imports and increasing exports, forming an essential feature of the GDP, and creating employment. Public institutions need to support SMEs, accompanied by a regulating legislation. Institutions, both local and international, must play their roles respectively in providing support for SMEs.

In the Question and Answer session, the possibility for entities to provide training, technical assistance and support for pro bono was raised. Public-Private Partnerships should exchange experience and establish ideas.

In his Closing Address, **MR MANSOOR AL-MANSOOR, Assistant to Undersecretary of Ministry for Social Development, Kuwait**, affirmed the need and importance of such global level meetings, to orient the youth to work within the private sector and initiate business projects. It was his hope that the future of muslim youth would receive greater attention, as these will eventually enrich future generations of the Muslim world.

DATO' NAZIR RAZAK, Chairman, WIEF Young Leaders Network gave his Closing Remarks, expressing his views that the 2nd WIEF Young Leaders Forum was an enlightening session, with invaluable sharing of ideas and experiences. Some of the more interesting alternative strategies could be implemented through existing ventures.

The WIEF Young Leaders Network would focus on cross-border activities to help young leaders that exist in various countries. Going forward, young leaders will need greater momentum from what it currently possesses. He highlighted the continuation of the three existing programmes, and finally announced the formation of a cross-border mentorship programme, based on the needs arising from all sessions' discussions. There is an urgent need for mentors for young Muslims around the world, especially in the process of building up potential and aspiring leaders for the future.

DEVELOPMENT & FINANCE IN THE ISLAMIC WORLD BETWEEN ISLAMIC DEVELOPMENT AGENCIES, KUWAITI & INTERNATIONAL FINANCIAL INSTITUTIONS

In his Opening Speech, **MR ABDUL MAJEED AL SHATTI, Chairman, Kuwait Banks Association** shared that the volume of assets in Islamic banks currently exceeds USD500 billion and are expected to reach USD one trillion by 2012.

The total GDP of members of the OIC was USD 7.8 trillion in 2006, accounting for 12% of the world's total GDP. The Islamic world was rich with resources but what was needed was the optimum exploitation of human resources and infrastructure, as well opening up markets, passing legislations that encouraged investment, supporting trade exchange and creating a safe environment for investment.

In the past decade, the world had increasingly turned toward Islamic banking, and there was a rising interest in this sector by renowned financial institutions in the UK and the US. Many conventional banks in Arab and Muslim countries were opening branches that operated according to the Islamic syariah. There is a need to allow conventional banks to employ Islamic banking tools and products in their branches until such a time that they could make a complete transformation, noting that this was in the interest of clients and served to diversify products and raise competitiveness.

MR ADNAN AL-MUSALLAM, Chairman & MD, Investment Dar Company Kuwait spoke on Islamic Finance and Development Challenges.

MR AYMAN ABDULLAH BOODAI, Vice President, Union of Investment Companies, Kuwait spoke on the topic of "The Experience of Transforming Traditional Investment Companies into Islamic Investment Companies", stating that the challenges faced by Islamic banking corporations included the need to develop investment tools and finding development projects that provided investment opportunities and job opportunities for citizens to serve the society and contribute in dealing with inflation, he said.

He noted that 40 percent of Islamic investment companies joined the Kuwaiti market in the past five years, adding that they dealt with different economic sectors and contributed to developing the market and activating it. He said that Islamic investment companies reduced the economic costs on consumers and increased competition among companies, encouraging them to improve their products to attract clients.

MR HANI SALEM SONBOL, Deputy General Manager & CEO International Islamic Trade Finance Corporation (ITFC) delivered his paper on "Intra Trade Financing Facilities in OIC Member Countries". Trade financing is one of core businesses of the IDB group; it is important not just as income generating tool but from the perspective of development as trade can bring about economic growth of OIC countries.

Estimates show that a 5% increase in overall trade volume of OIC member countries would enhance economic growth by 0.3% and contribution of trade to growth performance would increase by 4.3%. However, intra-trade between OIC countries is low. In 2006, OIC countries produced US\$1.2 trillion worth of exports and US\$1.0 trillion worth of imports. The total exports for the world in 2005 was US\$12.0 trillion. OIC has 22% of world's population but produced less than 10% of total world exports.



Tan Sri Fuzi Abdul Razak, Secretary General of the WIEF Foundation being interviewed by a local journalist at the Arab Organizations Headquarters Building, Kuwait

DEVELOPMENT & FINANCE IN THE ISLAMIC WORLD

BETWEEN ISLAMIC DEVELOPMENT AGENCIES, KUWAITI & INTERNATIONAL FINANCIAL INSTITUTIONS

In 2000, OIC intra trade in the form of exports made up 11.4% of total exports, and this has just increased by 2% to 13.6% or US\$ 135 billion in 2005. In terms of distribution, trade in OIC is concentrated in a few countries. The top 5 countries in trade among OIC countries produce 60% of export trade and account only 25% of total population of OIC member countries. 3 of this top 5, accounts for less than 4 percent of total population but produced 40% of the total exports.

Given the importance of trade to economy and role of trade in facilitating closer levels of cooperation between member countries, in 2005 OIC Summit in Makkah set a target of 20% intra trade by year 2015. Some challenges to intra trade include the following:

1. Access to capital and financing
2. Lack of support for SME
3. Unfavorable financing terms
4. Barriers to free trade
5. Lack of institutional capacity to support trade
6. Logistics

IDB is actively promoting trade and since inception has approved trade finance operations worth about US\$30 billion. Trade operations in 2007 alone totaled US\$2.7 billion, of these total 75% consisted of financing intra trade activity between OIC countries. Besides established markets in the Middle East, North Africa and Asia regions initiatives on trade include the African region which saw an increase by 10 times from US\$19 million in 2002 to US\$191 million in 2006 and a majority of this increase was seen in the Sub-Saharan African countries.

A significant initiative to promote intra trade is the establishment of the Islamic Trade Finance Corporation (ITFC) in January 2008, with authorized capital of US\$3 billion and subscribed capital of US\$750 million, meant to take over the trade financing business of the IDB.

The Bank's Ordinary Capital Resources (OCR) and co-financing and syndication have funded the IDB trade financing activities. With the inception of the International Islamic Trade Finance Corporation (ITFC) the trade financing will be funded through the capital resources of the Corporation and through a US\$1 billion fund, by which ITFC acts a Mudarib (manager) on behalf of IDB.

The IDB group trade financing and promotion activities are supplemented by the Islamic Corporation for the Insurance of Investments and export Credit (ICIEC), its subsidiary which provides insurance for investments and export credit in OIC countries.



The IDB and in particular the ITFC continues to promote trade and to work toward achieving the 20% target of intra trade. To date, trade financing activities form 60% of total approved operations of the IDB group since its inception, and about 75% has been used to finance intra trade transactions of member countries.

Some initiatives to increase intra trade include exporter/importer linkage creation, creation and strengthening of correspondent banking relationship, reorientation of member countries' risk appetites among lenders, structured financing and innovative mechanism (Bilateral Payment Arrangements). While intra trade between OIC countries is important, OIC

should also look at enhancement of trade links beyond regional borders to take advantage of the growth in China and India the two powerhouse that have sizeable Muslim population.

DR ABDEL-RAHMAN TAHA, General Manager, The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) spoke on "The Role of Credit Political Risk Insurance in Promoting Trade and Investment".

ICIEC, a member of the IDB Group, was created in 1994 with a mandate to promote trade and investment flows between OIC members. It is the only multilateral insurance company in the world that provides syariah compliant export credit insurance, Political Risk Insurance (PRI) and reinsurance services. Member countries are shareholders and this helps ICIEC to mitigate country risk in member countries and facilitate recovery.

The mission of ICIEC is to provide basically two types of insurance: first, the export credit insurance that is meant to encourage exports from member countries to the rest of the world and second, the investment insurance to encourage flow of capital and investments from any country to member country.

The services that ICIEC provides are:

1. Export credit insurance covers to insure non-payment risks
2. Political risk insurance (PRI) covers to insure country risks
3. Technical assistance services to provide advisory on investment and business climate

PRI is a mechanism by which foreign investors neutralize, mitigate or remedy losses arising from political actions/inactions of host countries. PRI is beneficial to both investors and host countries and could be seen as an important



Tun Musa Hitam, Chairman of the WIEF Foundation (center) discussing with Tan Sri Fuzi Abdul Razak, Secretary General of the WIEF Foundation (right) witnessed by Atia Zaman from the Muslim Council of Britain UK (left).

DEVELOPMENT & FINANCE IN THE ISLAMIC WORLD

BETWEEN ISLAMIC DEVELOPMENT AGENCIES, KUWAITI & INTERNATIONAL FINANCIAL INSTITUTIONS



Tun Musa Hitam, Chairman of the WIEF Foundation accompanying Sheikh Dr. Salem El-Jabber Al-Ahmad Al-Sabah, Counsel of the Prime Minister of Kuwait after the session on "Development and Finance in the Islamic World"

tool to increase trade in today's highly uncertain business environment. ICIEC has strategic partnerships with leaders of credit and political risk insurance industry. It has strong growth prospects and diversified portfolio with exposure concentrated on short-term businesses. The speaker then shared with the audience a few case studies of the ICIEC projects including facilitating a long term supplier credit in Sudan, a Djibouti Terminal Project and a GE project in Pakistan that involve PRI.

On the "Overview of Islamic Finance", Mr Mohamad Faiz Azmi, Partner and Global Islamic Leader, PricewaterhouseCoopers quoted Dr Zeti Akhtar Aziz, Governor of Bank Negara

Malaysia, who said, "The global Islamic finance industry has evolved from a faith-based to a business driven industry for all communities...the underlying strength inherent in Islamic finance.... (is) in bringing together different parts of the world with surplus funds in search of investment opportunities to those with financing requirements which is a tremendous opportunity for businesses to grow rapidly"

Globally, Islamic finance is estimated at US\$500 billion assets and records an impressive 30% annual growth in 2007. Booming oil prices has led to huge potential investable capital amongst GCC states estimated at US\$4.1 trillion, equivalent to 30% of US GDP. The industry has grown from niche to

high street with rising market awareness from mainstream players. Leading markets for Islamic finance include Bahrain, Kuwait, Malaysia, Saudi Arabia and UAE with the world's Islamic banks' assets concentrated in these countries: 20% in Saudi Arabia, Malaysia 19%, UAE 18%, Kuwait 14%, and Bahrain 9%.

The proportion of Islamic banking to conventional assets has reached 30% in GCC and is projected to rise to 40% in the next three years; in Malaysia the figure is 13% with target of 20% in 2010 and in Saudi Arabia 30% of banks' assets are classified as syariah compliant with 95% of all retail banking transactions are now done through Islamic banking institutions. Globally, there are now over 300 IFIs operating in 75 countries. Total assets are estimated at US\$524 billion with 55% in Islamic banks and 44% in Islamic banking windows.

Leading Islamic banks in the world include Al Rajhi, Kuwait Finance House and Dubai Islamic Bank. A noted exponential growth of sukuk issuances, from just US\$0.3 billion (2000) to US\$47 billion (2007). The speaker highlighted takaful with currently low penetration rates having huge untapped market. Insurance/takaful penetration rates of Muslim countries range from 1% to 3% except for Malaysia (5%). Compared to size of Muslim population of 1.5 billion, there is a huge untapped takaful market. Expansion of takaful market in non-Muslim countries with sizeable Muslim population creates a potential switch from the demand of conventional insurance to Takaful products.

Issues and challenges in Islamic finance include:

1. Syariah compliant or syariah based – need for innovative products rather than the conversion of traditional products to become syariah compliant.
2. Islamic liquidity assets – availability for shorter term assets to address liquidity issues
3. Regulatory and tax framework – lack of consistency in

global approach and treatment

4. Lack of scale – room for large regional or global players through mergers and acquisition
5. Accounting – adopting some AAOIFI concepts into IFRS
6. Talent – Shallow depth of knowledge and inexperienced talent inhibiting growth and innovation

During the Question & Answer Session, debates centred on differences in practices and decisions due to different interpretation of syariah and the challenges of how this could be translated into best practices and global standards or harmonization and whether harmonization is itself necessary. It was also raised as to whether Islamic Economics should provide the theoretical framework to practices in Islamic banking and guide towards the “higher values” of Islamic banking as opposed to just being profit driven.

Answers mainly centred around the need to be positive and to support Islamic banking and finance as a whole in view of it being a relatively new industry and that it is still evolving, but concerns and pressures do provide inputs towards improvement and development of the whole industry to be in line with the principles of Islam. Consequently, Islamic banking can evolve to be not just another kind of profitable banking but one with a distinctive feature with clear benefits to offer to humankind.

MEETING PROGRAMME OF THE COMMERCIAL & ISLAMIC CHAMBERS CHAIRMEN & BUSINESSMEN WITH MEMBERS OF THE KUWAIT CHAMBER OF COMMERCE & INDUSTRY

OPENING SESSION

After the recitation from the Holy Quran, **MR ALI M ALGHANIM, Chairman, KCCI** gave his opening speech, stating that half of the Islamic countries are underdeveloped with less than 5% world GDP. The Islamic countries contributed only 6% of the world inter-trade and 13.5% of total foreign exchange. They are facing a lot of challenges and complications such as being left alone, political instability, suppression, and economic instability. Chambers of Commerce should work and cooperate with each other with the people and government. They should form international cartels and seek development and cooperation in member countries for equality and justice. This was worsened due to the September 11 attack that has had negative impact on all Muslims. The Muslim business community should rectify this. He called for a dialogue with Islamic countries for inter-country trade and Islamic Economic Systems oriented with one mechanism, collaborating to seek peace and justice.

SHEIKH SALEH BIN ABDULLAH KAMEL, Chairman, Islamic Chamber of Commerce & Industry, thanked the KCCI for conducting this meeting and diagnosing Islamic challenges and opportunities. There should be a road map to diagnose all the economic challenges. During the International Conferences in Jeddah, a 10-year plan was drafted to achieve a business community plan. The Summit in Dhaka received great attention from government leaders for the Islamic countries and Chambers of Commerce to cooperate with each other. Some of the achievements are:

1. Established forest company

- Sudan, Senegal, Benin and forest companies: opportunities for investment
- Steps to start investment and initiatives
- Projects with modern technology to replace traditional projects
- Funding from IDB

2. Two mechanisms

- Social responsibility – taking of business people and society
- Institution – zakat and inter-zakat authorities
- A comprehensive economic plan was proposed, with examples like the Egypt Zakat authorities and Benin or Senegal Chambers of Commerce

3. International Islamic authority of Aikaf – Chamber of Commerce is helping the survival of aikaf.

4. Project Grand Bank – feasibility study has been completed

- Islamic Bank with source of fund USD400 million from Western countries, with a target to use USD200 million in Islamic countries

5. Conferences as a landmark by establishing Arabic Economic Conferences and Summit in January 2009

- To start economic development and reviving in this world
- Working and abide by the Islamic values, not to practice bribery

MR ADNAN AL-QASSAR, Chairman, General Union of Chambers of Commerce, Industry and Agriculture, stressed the need to enhance partnership and collaboration among the business leaders and to form an Arabic Common Market – Islamic Market. This issue received great attention from the Arab leaders in Riyadh in 2007 for more Arab collaboration. The areas with opportunities are in finance, natural resources and development. The Islamic and the Arabic economy should be growing at the world standard. The establishment of finance and investment centres should be competitive in coping with increased challenges. The current inter-trade is about 11%, trade 8% with 20% of world population. There are tremendous opportunities within the agriculture sector. For example, the inflation rate is high, and this causes an increase in the price of food product. With the appropriate technology, enhanced collaboration, improved economic relationship, updating and upgrading, lifting of restrictions, consolidation of the private sector's role, and union of chambers and commerce, global



(L– R) Tuan Haji Abdul Rahim Mohd Noh, Director, UEM Builders Berhad Malaysia, Dato' Rosli Sharif, Senior Director, UEM Group Berhad Malaysia, Dato' Hussein Haniff, Malaysian Ambassador to Belgium and Dato' Ashaary Sani, Malaysian Ambassador to Kuwait.

crises would be dealt with appropriately.

DR AHMAD MOHAMED ALI, President, Islamic Development Bank stated the importance of inter-trade financing and to be in the Islamic International Development Club. The 3 important questions that should be raised are as follows:

1. What is the price of certification to be included in the Islamic International Development Club?
2. What developments are taking place within the Islamic International Development Club?
3. What can the forum contribute in financing inter-trade to the required level in facing challenges?

In the 21st century, there are a lot of changes in commercial

integration with the world, and examples of countries with high levels of integration are Malaysia, Pakistan, Egypt and Indonesia. Countries with low levels of integration will unfortunately fail to meet challenges of increase in food prices, especially those unable to produce their own food. Inter-trade financing is crucial for inclusion into the Islamic International Development Club. Collaboration between Islamic countries, however, is relatively slow. The challenges in inter-trade are:

1. Ability to cope with knowledge and technology through inter-trade tools like Islamic financing tools.
2. Providing resources, mechanism, and incentives in order to attract more investment in agriculture.
3. Activating programmes to finance technology and assistance

MEETING PROGRAMME OF THE COMMERCIAL & ISLAMIC CHAMBERS CHAIRMEN & BUSINESSMEN WITH MEMBERS OF THE KUWAIT CHAMBER OF COMMERCE & INDUSTRY

4. Improve political tension by empowerment and improvement in terms of development
5. Utilize oil bubble in food security project

SESSION 1

MR KHALID ABDALLA AL-SAGR, 2ND VICE CHAIRMAN, KCCI, who moderated the session, gave some opening remarks and introduced the speakers.

DR WALEED AL-WAHEED, CEO, International Islamic Trade Finance Corporation, focused on statistics of trade, aspects of International Islamic Development Club and the targets of development of trade of about 20% in 2015. He praised the IDB for its solid foundation in its ability to attract financiers. The development of trade financing is about US\$24.2 billion and others (project financing special assistance) about US\$16.9 billion.

He proposed four strategies, which are:

- 1. Developing and integrating to enhance trade**
 - Finance trade
 - Open window policy
 - 42 financing channels
 - Guarantee transactions
- 2. Partnership in promoting trade**
 - Leaders of Kuwait and IDB to be partners
 - Develop partnership in Islamic countries
 - International institutions
- 3. Facilitating trade and overcoming obstacles, such as transportation agreement, new marine line in Morocco, limited railway, reduce tariff and infrastructure**
- 4. Open up participation in effective development of trade from other countries**

MR KHALID ALUBOUDI, CHAIRMAN, Islamic Corporation for the Development of the Private Sector, talked about the role of private sector. Different levels of income of the Islamic member countries shouldn't be excluding factors. Instead, financing should be provided for the development of projects by using feasibility studies and development mechanisms. Productivity would then be enhanced in the project. The most important point is collaboration in member countries in providing technical support, acting as an umbrella to all members and the opportunity to invest abroad.

MR MOHAMMAD SHUWARI, Director of Operations Department, Inter-Arab Investment Guarantee Corporation, gave a brief summary of the corporation, established in 1974 to provide multi-trade agreement, activating, accelerating activities and enhancing foreign Arab trade. Two mechanisms used:

- Investment guarantee
- Export guarantee

Two insurance policies required by institution to cover political and national risk. The risks are:

- Confiscation
- Inability of investment to transfer profit in country that control foreign exchange
- Revolution and political chaos
- Non trade risk – supplier default, importer goes bankrupt etc
- Financing and insurance trade

SESSION 2

The objective of the second session was to give the audience the current economic scenario of Kuwait, elaborating upon existing and future projects in Kuwait. Each speaker gave briefs on their organizations and future projects for the country's development especially in the areas of natural resources and infrastructure.

MR SALAH F. AL-MARZOUQ, Honorary Treasurer, KCCI. The Kuwaiti Economy: Facts and Figures shared the following:

- Political and economic environment – democratic political system, independent judicial system etc
- Major economic indicators- unemployment 1.8%, inflation 7.5%. export \$62 billion of which oil \$59 billion
- Fitch ratings AA (stable), Standard & Poor's A+ (stable) , Moody's A2 (Positive)

MR MISHAAN AL-UTAIBI, Assistant Undersecretary for Planning & Training, Ministry of Electricity & Water stated that about 28% of future projects focus on electricity and water about 6%, the reason of increase due to growth in population and extension of housing. The opportunity to invest in these areas is great due to the similarities in climate and the increase in demand for electricity and water, and the increase in price of crude oil and gas. Every year ½ billion barrels of crude oil are needed to produce energy. In five years to come, depletion in crude oil may take place, making alternative energy (nuclear, solar and wind) necessary. Investment into solar energy in small scale with Japanese companies has just begun. In order to have high capacity of water supply for the future, Gulf countries need to look for alternative technologies to supply water.

MR AHMAD HABEEB, Deputy Delegate Member, Petrochemical Industries Company, Director, Structural Plan Development, Kuwait Municipality, shared that the issue of food crisis can be partially solved through petrochemical solutions – fertilizers, packaging, transport (supply chain of the food industries). His company started in 1963 with chemical fertilizer and 20% BP participation in Gulf countries. They produce ammonia, sulfur, and sulfuric acid. In 1973, they bought over the share of foreign investment, and 1985 established a fourth line of production with 1.1 thousand tones.

MR SAAD AL-MIHAIBI, Director, Structural Plan Development, Kuwait Municipality shared on existing projects of Kuwait Municipality:

- privatization of government project: housing and facilities
- Activating environment
- Improving facilities
- Relationship with private sectors

List of ongoing projects:

1. Kuwait Sea Front
2. Kuwait Sea Front – Marina Mall
3. Coast Sea Front
4. Abdul Hamid Street
5. Golf Course
6. Recreations Centre
7. Waste Damp

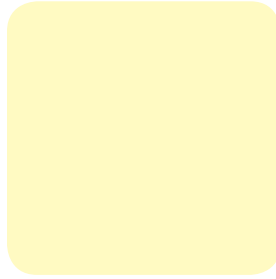
Future projects:

1. Housing extension – population increase
2. Structural Plan – 2023 equal opportunity – GCC country in south – Iraq and Iran
3. New Investment – high technology and integrated network
4. Railway network – connect the north and south
5. Best public transport plan needed
6. Development of Fobian Island – housing complex etc

MRS RIMA AL-AWADI, Senior Operations Planning Engineer, Kuwait Oil Company deliberated that the era of easy oil was over. The challenges faced are non-conventional drilling, water management, competition for resources, skilled and experienced manpower, rigs and technology. The focus area was on the Key Upstream Projects and Instrument Plans with two major projects on surface facilities.



Tun Musa Hitam, Chairman of WIEF Foundation on live interview with Aljazeera.



29 april 08 day one



OFFICIAL OPENING CEREMONY

BAYAN PALACE, KUWAIT

29 APRIL 2008



The line-up of world leaders at the 4th WIEF in Kuwait (L – R) Faisal Mohammad Al-Hajji Bukhadour, Deputy Prime Minister of Kuwait, Sheikh Nasser Mohammad Al-Ahmad Al-Sabah, Prime Minister of Kuwait, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Ahmad, Crown Prince of Kuwait, Hamid Karzai, President of Afghanistan, King Abdullah II ibn Al Hussein of Jordan, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Emir of Kuwait, Abdoulaye Wade, President of Senegal, Dr. Haris Silajdzic, President of Bosnia and Herzegovina, Tun Musa Hitam, Chairman of WIEF Foundation, Sheikh Khalifa bin Salman Al Khalifa, Prime Minister of Bahrain and Guillaume Kigbafori Soro, Prime Minister of Cote D'Ivoire.

After recitation from the Holy Quran, **H.E. FAISAL AL-HAJJI, Deputy Prime Minister of Kuwait and Chairman of Kuwait National Organizing Committee for WIEF**, gave his Welcoming Remarks, welcoming all delegates to the Kingdom of Kuwait. He stated that WIEF is promoting cooperation of all Islamic countries in the areas of human and capital assets. The Kuwait National Organizing Committee adopted the slogan "Islamic Countries: Partners in the Global Development" in order to reach out with open hearts and minds to all religions. WIEF plays an effective role in all Islamic countries. Finally, he thanked the organizing committee and wished the delegates a fruitful forum.

THE H.H. SHEIKH SABAH AL AHMAD AL-JABER AL SABAH, The Emir of the State of Kuwait, in his Opening Keynote Address, stated that he was honored to have all the delegates in Kuwait and to inaugurate the 4th WIEF. He also thanked H.E. Hamid Karzai, President of the Islamic Republic of Afghanistan to be able to join the forum. He stated that WIEF desires to promote cooperation between OIC and other

countries, and between Kuwait and the rest of the world. Islamic nations should build a safe and secure haven for its people and forge partnership with positive development. There should be enhanced integration among the Islamic nation in order for nations to cope with challenges today, such as food, development, lack of world design technology and research, investment trade and budget deficit. The solutions to improve the quality of life is to gather all potential countries to cooperate, create environments conducive to investment, eliminate custom obstacles, improve efficiency in transport, telecommunication and so forth. To achieve competitive development, education plays an important role. Thus an education reform is needed in our curriculum. In this regard, Islamic values are important in our educational corpus particularly in inculcating positive development with immutable traits such as loyalty and honesty. The teaching of the Holy Quran therefore is vital in the pursuit of excellence and improvement.

Some Islamic countries are facing the food crisis and as a result the state of Kuwait has taken the initiative to set up a Fund of Decent Living, or “Good Living Fund” to provide food for country in need and to provide opportunities in agriculture. USD 100 million have been allocated for the fund and it is hoped that more countries would contribute to the fund. Kuwait also supports the action plan for less developed country and desires close cooperation. The fund collected for Solidarity of Islamic countries in Makah, reached US\$300 million to be used as an aid. Lastly, the Emir wished that the forum would successfully achieve all objectives set out.

THE H.M. KING ABDULLAH II of the Hashemite Kingdom of Jordan in his Special Address, stated this notable gathering is the first WIEF to be held in the Middle East. He mentioned that this was not an ordinary meeting, bringing together leaders from across the spectrum of Muslim society. The following problems are being addressed here:

- For the countries to achieve their economic targets – development, growth, and opportunity are needed especially for the youth.
- Countries together can create an economic community, sustaining people against global financial and energy shocks and other challenges.
- Muslim everywhere in the world have access to the economic promise of the 21st century.
- Islamic community can achieve its rightful place in the global economy – not only sharing prosperity, but being able to write economic rules, giving voice to Islam’s values of co-existence, justice and better life for all.

This Forum provides immense benefit to the Ummah in various aspects:

- Creating a sustainable economic alliance in our era
- Establishing platforms for the economic success across the world,
- Creating regional and trans-national communities and forging partnership

- Enabling member states to boost prosperity within the group and compete more effectively.

The efforts of the OIC to spearhead economic cooperation and development have resulted in the increase in trade and most of the economies have an increase in GDP above the global average. However its potential is still far too large, where the combined member states’ GDP is only one fourth of Europe, even below the GDP of France. OIC share of world trade still a single digit, development incomplete, and challenges multiply. The Islamic countries have all the assets to change this reality by combining resources and geo-economic position to make the muslim world a key component in every major economic issue of our time – from creating a green global economy to energy sustainability, and more. The Muslim world have the assets to change this reality with the population being almost one fifth of humanity, the young as a significant force for productivity and market growth, being the world’s landmass and having a long economic history of enterprise and learning. Now is the time to work together, marshal these assets and for every country to engage. The Muslim world needs strong, comprehensive alliances that can draw on the resources and expertise of government, business, education, the media and other key sectors. In these other areas, success will create opportunity for the growing populations and demonstrate to young people what can be



A section of the crowd at the opening ceremony at the Royal Bayan Palace, Kuwait.

OFFICIAL OPENING CEREMONY

BAYAN PALACE, KUWAIT

29 APRIL 2008

achieved through knowledge, initiative, and co-existence. Finally, he hoped the Forum would actively discuss many such issues affecting Islamic countries. The action starts with one person, making one phone call, one keyboard click, one meeting, one handshake – one by one, by Muslims across the world in making partnership and potential a reality.

H.E. ABDOULAYE WADE, President of the Republic of Senegal expressed the close relationship between Kuwait and Senegal, and emphasized his vision as President of the Organisation of Islamic Conference (OIC) for the Muslim world. Presently, Africa is facing dire problems, in the face of rising oil prices and price of raw materials. In order to achieve greater economic growth, it is becoming increasingly necessary to merge plans proposed by South Africa, and plans produced by the Middle East. Different sectors need to be promoted in order to enhance activity of trade. First and foremost is the promotion of infrastructure – new airports, ports – and this is doing relatively well. Secondly, promotion of agriculture and raw materials. Although Africa has an absence of resources, there have been initiatives launched to promote the agriculture sector, working to promote development in that area. A strong focus has been given to education, focusing particularly on ICT technologies.

The President outlined that in his vision of 21st Century globalization, eradication of poverty would be primary. Poverty should not be analysed strictly in terms of revenues, but also on the accessibility to food, health, water and sanitation – this is the sort of poverty that needs to be fought. Emphasizing the future of energy, Senegal for example has recently discovered oil and hopes to use its revenues for the benefit of society through wise investment measures. Funds from the Arab region should also contribute to assistance in Africa, and existing investments are in the industries of energy, environment, and ICT.



H.E. HAMID KARZAI, President of Islamic Republic of Afghanistan expressed his thanks to the Emir of Kuwait. He stated that this forum would be an ideal platform for guidance on future improvement, for the Ummah, to share on the realities of opportunities and difficulties. Most of the world's minerals and resources are in the Muslim world. In the past, the development of art, science and literature lay primarily in the Muslim world. He emphasized the importance of trade, investment and enterprise.

There are 1.4 billion people living in the Muslim world, and 515 million people forming the young workforce. However, it also has the world's worst problems, worst literacy rates, infant mortality rates, food shortages, conflicts and a host of other issues. It is therefore important to concentrate long neglected attention on youth and scientific education. He had three key



suggestions to move towards this direction. First, the Muslim world must concentrate on education and in particular scientific education. Secondly, half of the Muslim workforce is not being employed presently, and there is a need to encourage women's participation in the workplace. Thirdly, Muslims are their own enemies, where some use the name of religion to stop education efforts. Extremists in Afghanistan and Pakistan have for example prevented women from going to schools and obtaining education. Hence, there is an urgent need to fight extremism. Third, the Muslim world has not put their energies together although there is massive market and the availability of connectivity from Africa, the Middle East, Central Asia, the Gulf, and East Asia. Energies must be concentrated into these four key factors, where together will become the most powerful of the global force.

H.E. DR. HARIS SILAJDZIC, President of Bosnia and Herzegovina affirmed that we are living in a globalised world today, and emphasized the need for tolerance, mutual respect and friendship within such globalization. Bosnia and Herzegovina is a model for people who live in diversity, and unfortunately war was perpetuated for those who could not live with diversity. Nevertheless, models like these should be preserved, and today's world needs such models of tolerance and diversity. The economy of Bosnia and Herzegovina is growing with the reliance on resources such as water and energy. It is hoped that this would benefit the country in the long run, and that greater levels of investment would flow into Bosnia and Herzegovina. The country has currently signed a major contract with the European Union, with the objective of living together in peace.

THE HONORABLE TUN MUSA HITAM, Chairman of the WIEF reiterated that the 4th WIEF was a result of solid work between the officials, International Advisory Panel, secretariat and the Kuwaiti Government. The objective of WIEF is to facilitate business amongst the Muslim world, promoting and encouraging profits that would eventually flow down to the much neglected peoples. The WIEF is a gathering of business Ummah and non-Muslim business Ummah to do business together. He stressed that business cannot succeed without three extremely important fields, which are the youth, women and these two backed up by the importance of education.

Based on this shared belief, the WIEF is project-oriented and has launched several projects on the above three fields, namely the youth scholarship and internship programmes, and on education, thanks to the participation and encouragement of the Islamic Development Bank (IDB). The WIEF has great potential, especially in light of the world's current perception of Islam. This is a prime opportunity to use and enhance existing business platforms, making use of profits for the wellbeing of people as a whole.

LEADERSHIP PANEL: ISLAMIC COUNTRIES IN A COMPETITIVE WORLD



Dr. Ahmed Mohamed Ali, President of the Islamic Development Bank (IDB) delivering his speech during the WIEF Leadership Panel session

H.H. SHEIKH NASSER AL MOHAMMED AL AHMAD AL SABAH, Prime Minister of Kuwait said that today's age was one of vast economic, political and military entities and it was therefore imperative that joint action was sought to widen the scope of cooperation between Islamic countries and to raise their role at all levels within the new world order.

The world witnessed when the last century drew to a close and is still witnessing fundamental developments which have occurred in the global economy and have begun to reformulate international economic relations, the most prominent of which is the globalization of International Trade Regulations, where there is increased mutual dependence between countries and their economic systems and the resources available to each country.

He added that a controlled economy model had waned in favor of a free market economy in a way that led to reinforcing the role of the private sector and increasing the role of technology in driving the economy, resulting in what was known as e-commerce (electronic commerce). He stressed that we live in an age of vast entities whether they be economic, political or military, therefore it is imperative that we seek joint action now

and widen the scope of cooperation between Islamic countries to raise the standards of the Ummah and activate its role on all levels within the new world order.

It was fortunate that the Islamic Ummah enjoyed huge, diverse and renewable resources making cooperation and economic partnership between its states a natural outcome to enhance its potentials and raise the levels of growth and prosperity of its people, as well as boosting competitive capabilities globally. Relying on acquired advantages through research, development and innovation by producing new commodities or constantly improving and developing production methods to ensure easy access to global markets and interact with them could increase competitiveness.

However, the Islamic world today faced numerous challenges, above all the low growth levels, low levels of investment in both human and material aspects, the spread of poverty and unemployment, fragile and inferior quality infrastructure, low levels of education and scientific research, the brain drain phenomenon and the failure of most of the countries to catch up with the momentum of economically and technologically developed countries.

He then highlighted the unsatisfactory situation on human development in the Islamic world. While human capital represents the source of power of nations, and despite the fact that the Islamic world constitutes more than a fifth of the world population, it has high levels of illiteracy, where in some parts, such as the Arab world, it has reached more than a third of the population.

United Nations statistics show that only six Islamic countries have ranked high on the Human Development Index, while 22 others ranked average and 23 Islamic countries remained low on the Human Development Index.

In addition, he said most global reports indicated wide spread

corruption across the Islamic world, which consequently had devastating effects on the general interests of peoples and governments and delayed economic and political reform. Corruption practices are hindrances that prevent Islamic countries from being efficient and competitive.

Thus, he stressed that combating corruption and establishing better grounds for transparency, accountability and righteous leadership must take high priority in our societies. It is crucial that the Islamic world confronts these challenges and search for ways to tackle them. New economic policies should assist in the efficient utilization of resources, enhancing the role of the private sector, limiting state control, providing a legal environment to protect all types of intellectual properties, raising the standards of education and scientific research, encouraging creativity and innovation, and creating a democratic climate that contributes toward attracting investments and capital to Islamic countries.

He stressed that in order to transform the Ummah, Islamic countries cannot act alone. Working towards a common Islamic market has become an urgent necessity in today's world and he argued that the greatest challenge facing us is organizing ourselves, defining our priorities and acting sincerely by cooperating to confront those challenges.



The line-up of the Heads of Government and key Ministers during the WIEF Leadership Panel session (L – R) Souot Mynbayev, Minister of Energy and Mineral Resources Kazakhstan, Sheikh Khalifa bin Salman Al Khalifa, Prime Minister of Bahrain, Sheikh Nasser Mohammad Al-Ahmad Al-Sabah, Prime Minister of Kuwait, Guillaume Kigbafori Soro, Prime Minister of Cote D'Ivoire and Dr. Ahmad Mohamed Ali, President of the Islamic Development Bank.

His Highness was hopeful that the WIEF would become a strong institution that would promote communication and joint cooperation between countries of the Islamic world to enhance mutual interests. He was confident that the participation and contributions of national leaders and captains of industry would have a big impact after the conclusion of the 4th WIEF.

H.E. GUILLAUME KIGBAFORI SORO, Prime Minister of Cote d'Ivoire expressed his admiration for the WIEF preparations, describing them as excellent.

He said the event was a great opportunity to hold a dialogue among Islamic countries at a time when these countries face extraordinary challenges. Islamic countries should be mature and able to resolve the problems of the ummah in the spirit of cooperation and solidarity. He emphasized that Islam called for cooperating and supporting others, adding that trade exchange could contribute to combating poverty. There should be cooperation between rich and poor countries, between North and South and between "equal" countries.

He thanked all the countries that financially supported Cote d'Ivoire to reach peace, stressing that the peace process should be supported and that it would be unfortunate if it stopped because of lack of financial resources. He said the crisis in his country has resulted in the loss of many lives and infrastructure and that people suffered from the shortage of food and high living costs. He called for coordinating efforts towards advancement and providing better conditions for the Islamic societies.

H.H. SHEIKH KHALIFA BIN SALMAN AL KHALIFA, Prime Minister, Kingdom of Bahrain said that economic development is a form of humanitarian acts and is very much in line with Islamic values. He expressed his joy at participating in this forum, and extended his gratitude and appreciation to Kuwait for supporting development projects in Islamic countries, including Bahrain.

LEADERSHIP PANEL: ISLAMIC COUNTRIES IN A COMPETITIVE WORLD



Souat Mynbayev, Minister of Energy and Mineral Resources Kazakhstan, delivering a speech on investment opportunities in Kazakhstan, a country ranked 7th in the world in terms of oil reserves.

This kind of forum is a practical response to the wave of allegations against Muslims and proves that Islam promotes development and civilizations. He called for benefiting from such events so that Muslim countries could contribute more towards development of their own countries.

In many places, the Islamic world seems to have abandoned the human and natural resources and this has led to many problems including poverty, ignorance and diseases. These challenges need to be encountered and the Islamic world needs to prove itself by participating in global development in this fast-changing world.

He stressed the need for increasing cooperation among countries in an effort to enhance economic development among Islamic countries. He also suggests that economic and political reform in Islamic countries should be continued and promoted to ensure effective participation of people in the development process.

H.E. SOUAT MYNBAYEV, Minister of Energy and Mineral Resources, Republic of Kazakhstan said that he was

confident that this event would give a boost to relations between Muslim states in all fields and would serve to achieve integration.

He said that his country aimed to become one of the 50 top competitive countries in the world, adding that over the past five years, its economic growth had reached ten percent.

Growth indications has allowed Kazakhstan to become a donor country and it is now one of the top 40 countries attracting investments, he said, adding that the government was continuing to place strategies for diversifying exports and services.

Kazakhstan has rich natural resources, the country ranks 7th in the world in terms of oil reserves and 6th in gas reserves. It is also ranked 2nd in uranium reserves and aims to become the biggest uranium exporter in the world. Kazakhstan has many investment opportunities and he called for investors in Muslim countries to take advantage of this.

DR AHMED MOHAMED ALI, President of the Islamic Development Bank (IDB) noted the importance of the participation of leaders and the topics that were being discussed not only in the Forum but on the sidelines of the event. He also thanked Tun Musa Hitam as Chairman of WIEF in his pioneering role and Malaysia as a pioneer country in terms of sustainable development. He stressed that the high level participation at WIEF shows commitment and a lot of creativity in solving the problems of the Ummah.

He commended the wise leadership of the Kuwait government and that it was a pioneering country in global development and in joint Muslim action. Dr Ali said Kuwait's role in development was evident in its establishment of the first national development fund, Kuwait Fund for Arab Economic Development, which had since financed projects worth USD 15 billion.

Dr Ali stressed on the importance of human capital development. He said if we want our countries to be competitive, we must invest more in our human resources and that means from beginning to end, from school to work, from kindergarten to high school to university. Studies show that children who have had kindergarten schooling had better chances of success and excellence later in life.

A move to knowledge-based economy would help us to be more competitive. This means giving emphasis to education right at an early age, helping teachers to improve and giving concerns for teachers' and students' social, moral and material well being. He cited the case of Singapore, a country with very little natural resources, as a success story on human capital development. Educating people means improving the curricula, as well as the mentalities and behaviour of people.

Human capital development also involves efforts to improve our universities so that they rank among the best in the world. We need to engage in more research activities at universities and research institutes.

It is important that Islamic countries have the commitment to implement the 10 year program as agreed in the Makkah Summit. He said the IDB was proud to be one of the institutions that contributes to the alleviation of the suffering of impoverished people of the world and will continue to strive to be a strategic partner in the development of Islamic countries. We have no other choice but to penetrate the global market. We should use all the resources and assets that God has given us wisely and responsibly and with God's help we can become more competitive.

QUESTION & ANSWER SESSION

During the Question and Answer session, issues included the future of GCC as an economic bloc and the role of IDB in the Arab countries as distinct from the Arab League. The GCC region can become a role model to the rest of the Islamic countries in terms of economic cooperation. However, the GCC is highly dependent on oil and should consider wise investment especially in human capital development since oil is a non-renewable resource and it can run out. Lessons should also be learnt from countries that have acquired wealth and rapid economic growth with very limited natural resources. If not invested well, the gift of natural resources such as oil can become a "curse" to the nation and to its people.

The IDB has always been at the forefront in encouraging education not just at tertiary level but also at kindergarten and primary levels. The concern with university education is that universities should be increasingly engaged with research so as to contribute towards increasing competitiveness of Muslim countries.

There is also concern on how we could reduce the gap between rich and poor countries and one of the ways is to distribute national wealth such as oil with other Muslim nations in the forms that can provide capacity building and sustainable development rather than an aid dependent mentality.

PARALLEL SESSION

SMALL & MEDIUM ENTERPRISES

DR ATEF OBAID, Former Prime Minister, Arab Republic of Egypt said that Small & Medium Enterprises (SMEs) represent the cornerstone in the development of any country.

He stressed on the importance played by SMEs in economic development and contribution to raising gross domestic product, as well as combating poverty and unemployment.

MR TARIQ SAYEED, President, SAARC Chamber of Commerce & Industry's presentation comprised 3 parts: an introduction to the region of South Asia, an overview of SMEs in the South Asia Region with particular reference to Pakistan and finally, areas for joint ventures and policy measures.

SAARC comprises four Muslim nations: Pakistan, Bangladesh, Maldives and Afghanistan. However, India, despite being a part of South Asia and not considered as a majority Muslim country has more than 200 million Muslims. This is 40 million more than the population of the third leading Muslim country Pakistan. South Asia constitutes 22% of world population of which 50% forms the young labor force and is blessed with 15% of world resources. According to World Bank, the region



Tun Musa Hitam, Chairman of WIEF Foundation talking to Dato Dr. Idris Jusoh, former Chief Minister of Terengganu, one of the richest states in Malaysia in terms of oil reserves.

witnessed GDP growth of 6% during 2001-07. However despite enormous potential, economic performance of South Asia has been disappointing.

Various studies provide evidence on the role of SMEs in providing employment and compared to large-scale companies SMEs have bigger impact in reducing poverty. The growth and development of SMEs have become key concerns among policy makers because of their contribution to fostering growth, competitiveness and equity.

In Pakistan, there are 3.2 million business enterprises, with those employing up to 99 persons constituting over 90% of all



Tanri Abeng, Chairman of PT Telecom Indonesia, giving an exuberant speech during his session on Small and Medium Enterprises.

private enterprises and they employ nearly 78% of the non-agriculture labor force. They contribute over 30% to the GDP and account 25% of exports of manufactured goods and 35% in manufacturing value added.

He pointed that these enterprises were facing such problems as loan interest and providing basic capital. Sharing the experience of Pakistan, he outlined the initiatives of the Pakistan SME Task Force committee established by the government which included:

1. Creating a favorable business environment for SMEs by eliminating unnecessary obstacles and reducing cost of

QUESTION & ANSWER SESSION

The Question & Answer session raised important issues on increasing education levels, support for SMEs, and the importance of increasing trade within Muslim countries and women enterprises' lack of funding. SMEs should get involved in conferences and trade fairs in order to market their products since "seeing is believing". As such the government or relevant body should consider ways to provide grants for women or SMEs as a whole to be able to participate in these international events that in the experience of Malaysia has provided a lot of boost in exporting. One way is to establish export development fund where a certain portion of export revenue is retained for this fund, which is to be used for deserving SMEs to go to trade fairs. Another suggestion is for WIEF secretariat to provide before the start of any session the background of what was discussed and agreed during the previous WIEF on the same topic, and the progress if any so that this would provide continuity. The importance of political stability for economic performance was stressed.

doing business.

2. Increasing SME access to formal finance including equity financing and improving SME capacity to become "bankable".
3. Improving delivery mechanism for assistance and access to resources for SME including business development services, qualified human resources, marketing and technology in order to improve competitiveness, productivity and capacity for employment generation.
4. Establishing appropriate definition, feedback, monitoring & evaluation mechanism.

Mr Sayed stressed the need for supporting SMEs and for

PARALLEL SESSION

SMALL & MEDIUM ENTERPRISES



Islamic countries to cooperate with African countries who were threatened to lose their agricultural resources.

MR TANRI ABENG, Chairman of PT Telecom, Indonesia said that SMEs contribute to survival and development of any national economy. In Indonesia there are 49 million SME establishments with 85 million workers which form 96% of total employment and contribute to 56% GDP.

The weaknesses of SME in Indonesia are:

1. Access to capital and collateral. 70% of capital is raised by themselves. The other 30% comes from high interest sources.
2. Scale of business is small and not linked to big companies.

The number of SMEs has grown especially after the 1998 financial crisis when many big companies collapsed and SMEs seemed to be better able to cope with the crisis. Mr Abeng suggested the following in order to improve the situation:

1. Education: to improve access and to lengthen the duration of education.
2. To provide structure on how the scale of business can be increased.
3. Funding – how to improve access and the channeling of surplus funds for e.g. petrodollar to needy areas such as to help SMEs in Indonesia in areas such as agriculture for rice, sugar, vegetables etc.

PARALLEL SESSION

TELECOMMUNICATIONS, TRANSPORT & LOGISTICS



The paneslists of the session on Telecommunications, Transport and Logistics (L – R) Mr. Bahjat El-Darwiche, Principal of Booz Allen Hamilton (Middle East) and Eng. AbdulRahman Khalid Al-Ghunaim, former Minister of Communications Kuwait.

ENG. ABDULRAHMAN KHALED AL-GHUNAIM, Former Minister of Communication, State of Kuwait, moderator of the session, started by stating that the Middle East is an important market for logistics. It is currently being impacted by the growth in oil prices and consumer spending. Development of railroads, airports, and roads is taking place rapidly and is a chance to link Middle Eastern markets with the Asian and American markets.

MR BAHJAT EL-DARWICHE, Principal, Booz Allen Hamilton (Middle East) gave a global industry overview of the telecommunications sector, stating that there has been rapid development of telecommunication in the Middle East and North African regions. The industry has become increasingly liberalised and consolidated, a combination of action between investors and policymakers. With the introduction of regulatory bodies and frameworks,

development in the telecommunication sub-market has grown rapidly in the Middle Eastern region, with all countries seeing competition in the mobile market, both within facilities and infrastructure investment.

Increased competition has had a positive impact on customers, and social and economic development. In the region, mobile penetration has had a growth rate of 4%, with mobile growth rate of 40% across the region, and higher penetration rates than fixed lines benefiting both users and the overall sector. Beyond competition, the region has been successful in leveraging regeneration and consolidation gaps. Many operators see new opportunities emerging beyond regional boundaries, acquiring operators across the region. Today there are a number of regional and global operators emerging in South Africa, operating in other countries.

PARALLEL SESSION

TELECOMMUNICATIONS, TRANSPORT & LOGISTICS

Further growth is to be expected, facilitated by strong demographics with 2.5% per year population growth in the Middle East (the highest growth rate in the world, accompanied by the highest GDP growth rate). The telecommunication industry is expected to grow at 14% per year on average, in the next two to three years. The two trends essential in liberalising the industry are as follows:

1. Convergence:

Convergence of the telecommunication industry with other industries will sustain growth along the value chain, offering media services, financing services such as e-commerce and mobile payment. Technology convergence will drive operators to be more efficient, for example through videoconferencing, Internet, TV and so on. Today there exist completely new entrants relying on convergence to gain market share, and overall have gained 35% market share from traditional operators. In addition to this, regulatory frameworks in the region need to be devolved to adapt to updated services in the region.

2. Development of service based business models:

There are two main drivers pushing this:

- a) User habits are changing and they don't want simple connectivity. Instead, they want applications, personalisation, customer service, and accessibility of applications in both fixed and mobile lines. Consolidation of these networks is necessary through one service provider. Wireless technology is being used for access boards.
- b) Regulators usually consider access rights as a scarce resource and provide a limited number of service-based licenses. Service players are extremely aggressive today, and should be providing best services to maintain competitive advantages. Surplus based business models should be focused on, in providing content applications to the end user.

Web 2.0 reflects the usage of online applications not merely for information. Instead, users demand interactive applications. In the Middle East, applications are being customised to fit the culture and values of the region. Policy and regulatory frameworks are being tailored to facilitate the development of service based business models.

An important additional trend is the way in which boundaries of the telecommunication sector are changing, with finance, media and telco sectors blending together. This drives the need to change frameworks and licensing structures. Government requirements are now interlinked with regulating media.

While operators used to compete on connectivity, improvising content applications are a new challenge for them. Understanding needs to be built on customers and new markets in order to adapt to their operating models. Partnerships and alliances with players in other industries is one way to react to changing trends. Opportunities exist for growth, but stakeholders must address these challenges first.



Dr. Yousef Al-Ebraheem, Advisor at the Diwan Al-Amiri of Kuwait (left) with a fellow Kuwaiti official.

QUESTION & ANSWER SESSION

During the Question & Answer session, several themes emerged. ICT development is increasing within Qatar and Jordan, although there are content and application gaps that need to be bridged. A “Silicon Valley” of the Middle East was suggested, to sustain development in software. Education was an important area of interest, especially the need to maximise the young generation from university level and beyond. Muslim countries have a very young population, which should be taken into consideration. Technical education in the areas of services, logistics, telecommunication and transportation should be important fields of study at university level.

Mr Bahjat El-Darwiche stated that although broadband rates were initially very high, many countries are now approaching an average benchmark level, and telco operators are moving towards flat-rate models of connectivity (paying flat rates and getting unlimited calls, while users pay more for applications and content). Although prices will decrease, spending on telecommunications will probably increase in the long run, with increased revenue for the sector. One reason why the telco sector has attracted significant foreign direct investment in the region is that many countries have signed commitments to WTO agreements, in particular commitment to open ownership of telco players. Another driver is profitability of the sector, ranging between 50% and 60% consistently.

Most acquisitions that took place in the region were by regional players and not foreign. The reasons behind this are that many telco operators investing in the region seven years ago went through a difficult period after the dotcom burst. Local operators then rushed to maximise on opportunities, thereafter building solid understanding amongst them to compete against foreign counterparts.



Local players dominate the industry currently, owning 75% of the share and 25% from international players, in the region.

One way of reinventing fixed businesses, to utilise converging technologies, is to transform fixed business into broadband business, complementing DSL with value added applications. In Morocco, an attempt to offer new fixed licenses was attempted but no parties were interested. After a certain period, they offered fixed mobility licenses. In one year, the number of fixed lines in Morocco went up 40% after several years of stagnation. In addition to this, traditional fixed operators need to be much more aggressive in coming up with communication services rather than communication. They need to segment markets and offer catered services to each.

On the issue of transportation and logistics, Eng. Abdulrahman Khaled Al-Ghunaim stated that there are developments taking place in different parts of the world. Studies should be conducted to identify supply and logistics chain, as these are essential elements of business transactions and relations. Developing possibilities should be analysed. Important technologies must be utilised, creating a centre for future value chain technology, and to utilise universities and big companies' investments into Islamic countries.

PARALLEL SESSION

INFRASTRUCTURE & REAL ESTATE

ENG SAEED DASHTI – Chairman & MD – KGL, Kuwait who moderated the session, started by introducing the speakers.

Global Industry overview: **MR MOHD ANWAR YAHYA**, Senior Executive Director, Pricewaterhouse Coopers Malaysia reported the results of the Annual Global CEO Survey, which is based on the world's economic landscape on the trends and outlook on global infrastructure and real estate, challenges and the future. He discussed four main topics:

1. World's Economic Landscape by 2050

- Emerging economies would take centre stage, and the relative GDP of Brazil, China, Indonesia, Mexico, Russia and Turkey would be 1.5 times larger than the G7 economies (Canada, France, Germany, Italy, Japan, UK & USA).
- Asia would have half its emerging economies in high growth mode, with Vietnam having a 9.7% projected real growth rate.
- 70% urban population in the developing world will be in towns and cities.

2. Global Infrastructure Trends & Outlook by 2030

- Infrastructure demand will increase largely in Asia Pacific, with water a key focus, and an estimated US \$41 trillion on urban infrastructure.
- Among emerging countries, over half are still lagging behind in infrastructure quality.
- Emerging economies face a massive infrastructure funding gap, for example India's infrastructure today is where China was a decade ago.
- Future collaborative models e.g. PPP (Public Private Partnership) for financing and delivering public infrastructure projects worldwide.
- Key drivers – demographic trends, economic trends, and product trends.



(L to R) Dato' Ikmal Hijaz Hashim, Managing Director of Iskandar Development Region Authority Malaysia, Tan Sri Azman Mokhtar, Khazanah Nasional Berhad Malaysia and a fellow participant of the 4th WIEF.

3. Challenges

- Operationalising implementation and CSR strategies
- Strategy, structure, process, people and technology

4. The future – excitingly positive but fraught with challenges

- What kind of infrastructure will be the main focus
- Public-Private Partnerships (PPP) or Public-Private Initiatives (PPI)
- Development is shifting to Asia Pacific, with an increasing number of urban growth corridors.

DATO' IKMAL HIJAZ HASHIM, Managing Director, Iskandar Development Region Authority, Malaysia, reported on the Iskandar Malaysia (IM), Infrastructure and Real Estate Development, who started by:

1. Introducing Iskandar Malaysia:

- Lies at the heart of South East Asia within minutes to Singapore
- Located at the crossroads of East-West trade lanes
- Midway between the growing economy of China and India
- Area of 2,217 km square, current population 1.4 million, and by 2025 population is expected to increase to 3 million
- Long term aspirations- GDP (PPP) in USD from 20 in 2005 to 93.3 to 2025



The panelists of the session on Infrastructure and Real Estate (L – R) Dato' Ikmal Hijaz Hashim, Managing Director, Iskandar Development Region Authority Malaysia, Nurlan Nigmatulin, Governor of the Karaganda Region Kazakhstan, Mohd Anwar Yahya, Senior Executive Director, Pricewaterhouse Coopers Malaysia, and Eng. Saeed Dashti, Chairman and Managing Director of KGL Kuwait.

- 4 components of IM
 - The strategic plan – comprehensive development plan
 - The super developer – Iskandar Investment Berhad (IIB)
 - The Facilitating Authority – IRDA
 - Catalyst initiatives

2. Progress update:

- Phase 1 – planning 15 months
- Phase 2 – mobilization and transition 12 months
- Phase 3 – catalytic development 7 years
- Phase 4 – widening the development 12 years
- Phase 5 – realizing the vision 17 years

3. Capital appreciation

4. Investment opportunities

- Real estate
 - Purchase land/property for development/investment
 - Joint-ventures with key landowners / developers
 - Invest in property companies / REITS
- Operations
 - Set up new business in one of the 9 promoted economic clusters
 - Relocation of existing operations
- Finance
 - Offer innovative financing for developers and investors

MR NURLAN NIGMATULIN, Governor of Karaganda Region, Kazakhstan, discuss potential investment opportunities in the region of karaganda from four perspectives:

1. Natural resources – Uranium.
2. Capital investment based on collaboration.
3. Building an industrial park focused on pharmaceutical areas.
4. Cluster system in areas such as tourism.
5. During the Question & Answer session, the issue of considering those caught below the poverty line was raised, to which there was consensus that Governments should play their roles in solving such disparity. In the long run, however, development would eventually attract investment that would then generate wealth, employment and provide social projects for community participation. On private sector investment, speakers agreed that funding and investment for projects usually would be in the areas of infrastructure (highways and tolls), although return on investment would vary with sectors. Public-private partnerships estimate about a 16-17% return, depending on the sectors in which they are involved.

PARALLEL SESSION

TOURISM & TRAVEL

MR KHALED ABDULLAH AL-GHANIM, Vice Chairman & MD of Touristic Enterprises Company, Kuwait, who moderated the session, explained that the tourism industry had become a major economic pillar for many countries and that over 130 countries worldwide mainly depended on tourism and travel to develop their savings and national income. He stressed that many kinds of tourism had spread lately such as religious, political, sports and health tourism. According to the latest statistics, the tourism sector came second after oil in economic exchanges worldwide in 2007. He said that the most important tourism-enhancing elements in Kuwait were its unique location and the powerful tourist projects launched after 2003 that had succeeded in attracting many tourists. The recent laws and legislation on passing of the BOT (Build, Operate and Turn over) projects law and involving the private sector in many tourist investments had a very positive impact on boosting the tourism sector and turning Kuwait into a regional tourist attraction.

MR RICHARD SHEDIAC, Vice President, Booz Allen Hamilton, presented a paper entitled the “Global Industry Overview” and said that what was needed for successful tourism was first to define a successful tourism strategy, while focusing on the Middle East in particular. He explained that if governments were able to put more investment into



Some of the panelists of the session on Tourism and Travel (L – R) Nan Sy, Ambassador of the Kingdom of Cambodia to Brunei, Richard Shediac, Vice President of Booz Allen Hamilton and Muniruddeen Lallmahamood, Director of Global Management & Business Consulting Ltd., Mauritius.



Khaled Abdullah Al-Ghanim, Vice Chairman and Managing Director of Touristic Enterprises Company Kuwait at the panel during his session on Tourism and Travel.

the tourism sector with an overall strategy, then Middle East tourism could grow to satisfactory levels. He said that tourism planners needed to put many elements into consideration such as the tastes and preferences, needs and purchasing patterns of the target tourists. Middle Eastern tourists usually cared about the weather, shopping opportunities, dining and family activities when choosing a destination.

H.E. MR NAN SY, Ambassador, Kingdom of Cambodia to State of Brunei, presented a paper on country overview and he said that Cambodia possessed great investment opportunities, namely in building a tourism industry infrastructure to help develop the sector. The government of Cambodia recently expanded the airport to reach a capacity of 15 million passengers in 2015. He further said that Cambodia had joined the United Nations (UN) and became the 148th member country in the WTO, and following a five-year plan intends to execute many developmental projects and provide promising investment opportunities to help support the national economy, limit the rates of poverty, increase per capita income rates, decrease inflation rates, achieve currency



(L – R) Toyoo Gyohten, President of the Institute for International Monetary Affairs Japan exchanging views with Nan Sy, Ambassador of the Kingdom of Cambodia to Brunei.

stability and increase reserves of foreign currencies. Cambodia received over two million tourists in the period of 1995 until 2007 and they plan to reach 15 million by year 2015.

MR MUNIRUDEEN LALLMAHAMOOD, Director, Global Management & Business Consulting Ltd, Republic of Mauritius, highlighted that the Republic of Mauritius had a fascinating location in the Indian Ocean and that it had been discovered by the Arab geography scientist, Abu Mohammed Al-Idrisi who had put it on an official map for the first time in 1145. The major crop in Mauritius was sugar cane and that the tourism sector was responsible for 9% of the national production rate of 14.9 billion in 2007. He further stressed that Mauritius possessed all the necessary factors needed to attract more tourists, such as natural scenery, landscape, people's hospitality and adequate infrastructure in the form of a modern chain of hotels and spas needed to establish health tourism. Mauritius now adopts the Integrated Resorts System (IRS) where tourists, namely the GCC target market, can enjoy some privacy in a place they could own.

QUESTION & ANSWER SESSION

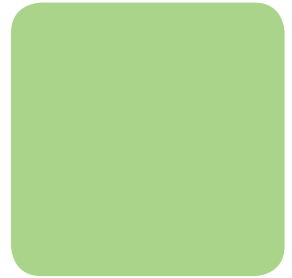
During the Question and Answer session, it was emphasized that tourism is one of the main pillars of the economy of any country anywhere in the world. Unfortunately, there were not many Kuwaiti investors present at the Forum to share their views and to explore opportunities with other countries. If Kuwaiti investors were present, there would be a great opportunity to dialogue and to debate. While agreeing, the moderator also stated that perhaps due to security reasons, there were not many investors present. It is true that there is a dire need to increase investment in tourism and travel industry anywhere in the world and this will be better approached in the next Forum to come.



Delegates on the headphones listening to a translated speech.



30 april 08 day two



PLENARY SESSION: THE MUSLIM WORLD AS A BURGEONING MARKET



Tun Musa Hitam, Chairman of WIEF Foundation discussing with panelists of the session on "The Muslim World as a Burgeoning Market"

MR ALI MOHAMMED THUNAYAN AL-GHANEM, Chairman of Kuwait Chamber of Commerce and Industry, said that there were more than 300 Islamic financial institutions that managed assets worth USD265 billion, noting that these institutions were full-fledged economic phenomena. He stressed on the importance of economic cooperation and integration among the Islamic States to promote equity amongst the Muslim world. He said that this need is vital as Muslim countries were faced with the challenges of globalization. He also mentioned that the Islamic finance institutions had proven their capabilities and abilities to compete and their products were widespread around the world. He commented that there are about 1.5 billion Muslim markets in the world where about 800 million are in the oil producing countries. The Muslim countries are noted to be rich in raw materials and resources for exports as well. It is also a known fact that the financial markets in the Muslim countries are more developed than any other parts of the world.

He also stressed that the Islamic financial products and services need not compete with the conventional products, as

the Muslim world is large. He asked why the Muslim countries were still not able to increase their markets around the world. He also reminded the Forum that there were more than 1 billion Muslims still living below the poverty line around the globe. Despite all the wealth in the Muslim countries, they were still unable to help. Al-Ghanem also stated that the share of Muslim countries in world trade is below 8% and that explained why the countries were still not able to utilize their resources and distribute their commodities and trade efficiently and hence, an economic integration and cooperation amongst the Muslim countries is imperative.

He argued that the reasons for poor cooperation amongst Muslim countries were the lack of conviction among majority of the Muslim countries and the lack of leadership and support for initiatives. He also said that another reason was the lack of coordination among the Islamic Organizations. Although the Islamic financial institutions are successful, areas such as transportation, technology (including ICT), education, and health are still lagging behind.

MR TONY BLAIR, the former Prime Minister of the UK, in his speech, called on the Islamic world to seize the huge opportunities available for the Islamic countries, particularly in the financial sector. He reminded the Muslim countries that they had vast opportunities that were underdeveloped to tap from the more than 1 billion Muslim markets worldwide as their needs in political, economic and cultural must be met and satisfied. He asked the Muslim countries how they would want to maximise these golden opportunities that were still underdeveloped. He said that the issue with the Muslim countries was exactly the same with the US and UK. Therefore, he concluded that the same rules for success would apply whether in Europe, US or in the Muslim world.

First, he suggested that the Muslim countries must open up their economies, as a closed economy would not deliver effectively and efficiently, citing London and New York as examples of open financial centres. When India and China opened up to the world, they became leading economic powers, predicting they would soon be among the leaders of global economy. Second, he commented that human capital was the key in the future and education was now the single biggest priority for any government adding that education was not just for the young, but for the adults as well. He warned that the world could not afford to waste human capital and women must not be discriminated in this. He suggested that the Islamic world should focus on the development of human resources and that a country cannot have a successful economy without a successful university education sector.

Third, he also called for reforming the public sector saying that it was absolutely critical and the focus should be on “public interest and not vested interest”. He said that there was much to be learned from the private sector and the public sector could benefit from their experiences. Fourth, he called on the wealthy Muslim countries to invest their resources in order to diversify their economy so as not to rely on simply one resource. In other words, the Muslim countries must learn to

manage their resources effectively and efficiently.

He was convinced that if the Muslim countries managed their economy well, for example the oil business, they could invest strategically for the world in the areas of science, technology and environment. Blair warned that a good management of resources had now become more important with the openness of global markets and the diversity of investment tools. Fifth, he reiterated that for the Muslim world to succeed it must adopt “peaceful co-existence and the rejection of extremism”. People have to respect the cultures and identities of other people. He agreed that the rest of the world needs the Islamic world, economically, politically, and culturally as everyone was in the same economic game today.

H. E. DR MOHAMMAD AL-TUWAIJRI, Assistant Secretary General for Economic Affairs, League of Arab States, in his speech mentioned that the economies of Islamic countries could easily complement each other because of its distribution. He stated that the services sector constituted 47% of Islamic economy, agriculture 14% and industrial sector 39%. But that 75% of the volume of trade in Islamic countries is owned by only 10 nations out of the 57 Islamic states. He stressed that the 57 Islamic states were located in four continents and only accounted for one sixth of the geographic locations, whilst



PLENARY SESSION: THE MUSLIM WORLD AS A BURGEONING MARKET

Muslims constituted one fifth of the world's total population. Out of that, 26 Muslim countries were classified as low-income states while nineteen were of medium income and the remainder were of high income.

He sadly pointed out that the Islamic economies only accounted for 6.2% of the world's gross domestic product. This data showed a drop from the 7.4% in 2002. He also highlighted that although services make up 74% of the Muslim countries economy, only 14% is in agriculture. He raised his concerns that this should not be the case because the Muslim countries were endowed with vast land where agriculture business could be cultivated. He suggested that the Muslim countries must export more and import less and that trade amongst the Muslim countries must be promoted. He even suggested that the Muslim countries should open up to more FDIs (foreign direct investments) and continuously explore in fields where FDIs can serve the Muslim countries, in particular the Arab countries.

He showed that 75% of volume of trade in Islamic countries came from ten nations: Kuwait, Saudi Arabia, UAE, Iran, Algeria, Tunisia, Turkey and others and these ten nations could be seen as leaders among the Islamic countries. Evidently, he argued on the importance of economic integration and said that by 2015, economic blocs and alliances would prevail among the Muslim world. He suggested that perhaps these ten nations should start an FTA, and he felt that the Arab countries could already achieve a customs union for the oil reserves of more than USD120 trillion they collectively have.

MR TOYOO GYOTEN, President, Institute for International Monetary Affairs, Japan, highlighted in his speech that statistics showed there were more than 1.5 billion Muslims with total production of USD 60 billion, all of which were indications of great economic prosperity. The two main pillars of the world's economy, i.e. Asia and Middle East were fast growing

with the Muslim economy as the centre for energy reserves, Asia as the centre for global manufacturing, striking a perfect balance between the two regions. He added that the Muslim world's relations with Japan and Eastern Asia were stronger than those among the Middle Eastern countries themselves.

He called on boosting cooperation between the Muslim countries of the Middle East and Eastern Asia and for each to bear their role in establishing a commercial market, after noting that East Asian countries were the base for technology, commerce and workforce, while the Middle East was the financing power. He added that the Muslim countries have a very promising future together although many would confess they have difficulties to see the Muslim world as an integrated market. An integrated market had the criteria of geographical location proximity and participative buyers and sellers.



A light moment between the panelists of the session on "The Muslim World as a Burgeoning Market" (L to R) Tony Blair, the former Prime Minister of UK, Ali Mohammed Thunayan Al-Ghanem, Chairman of Kuwait Chamber of Commerce and Industry and Dr. Mohammad Al-Tuwaijri, Assistant Secretary General for Economic Affairs, League of Arab States.

Unfortunately, the Muslim countries would not fit well into any of the said criteria.

There is one business area that can be reviewed very closely to the Muslim market, and that is Islamic finance. Although it only started in 1963, this sector has grown rapidly and now the total Islamic finance assets in terms of bonds, investments, takaful insurance etc is more than USD 1 trillion and is expected to grow together with the economic development of the Islamic world. He, however, pinpointed two major challenges that persist: firstly, the majority of the providers and users of Islamic finance are still non-Muslim and hence, it is not seen as a genuine Muslim market yet. Secondly, the 'syariah' interpretation is not uniformed worldwide and that means business would be at some risks.

Development of Islamic finance should be not only to enhance the welfare of the Muslim people as a whole, but to ensure that the Muslim market was efficient. Most of the stagnant economies in the world today are from the Muslim world and yet it is one of the richest markets. He called for organized efforts to address this situation. Public and private sectors need to change in response to a rapidly changing world. He noted that PPP was a challenge in every region in the world.

MR BADER MISHARI AL-HUMAIIDI, Former Minister of Finance, State of Kuwait, explained that more than 76% of the world's 1.5 billion Muslims live with less than USD 2 per day or about USD 500 a year in spite of the fact that Islamic countries boast some of the world's largest and richest resources. He argued that the real problem behind this situation was that the Islamic countries fail to cooperate effectively. He reiterated that poverty was one of the biggest challenges facing the world in general and the Muslim countries in particular, urging for an urgent solution. He reminded the Forum that the Muslim world enjoyed an abundance of human capital and natural resources that could make it the most powerful economy, but due to some obstacles that limited the roles of these countries, they were not so successful in the global economy.

The Muslim world suffered from dependency of crude materials, which reduced the added value of Islamic economies in the global economy. The Kuwait Fund for Arab Economic Development had a role to play and that was to contribute funds towards the development of impoverished Muslim countries worldwide. However, despite rich resources within the Muslim world, poverty still could not be alleviated. Islamic commerce only accounted for 8% of the global economy, while intra-trade between Muslim countries was only 12%.

MR KAIRBEK USKENBAYEV, Vice Minister for Tourism and Sports, Republic of Kazakhstan, presented on the tourism sector in Kazakhstan, saying that this sector was



PLENARY SESSION: THE MUSLIM WORLD AS A BURGEONING MARKET



(L to R) Tan Sri Fuzi Abdul Razak, Secretary General of WIEF Foundation, Sheikh Dr. Salem El-Jabber Al-Ahmad Al-Sabah, Counsel of the Prime Minister of Kuwait, and Tun Musa Hitam, Chairman of WIEF Foundation during a panel session.



an important industry in diversifying income resources in his country. He added that Kazakhstan possessed unique natural and tourist potential on the basis of which cultural-cognitive, ecological, extreme and business types of tourism were being developed. His government had adopted a strategy of tourist industry development in view of competitive advantages of the country and cluster initiatives for the long-term period. He mentioned that FDIs were encouraged in Kazakhstan by extending tax and customs privileges and special grants, and the government was continuously creating a favourable investment climate for foreign investors.

He noted that the steady development of Kazakhstan's economy had not only managed to attract foreign capital but it had also created conditions for investment of projects in Kyrgyzstan, Russia, Georgia, Turkey and other countries. He vouched that Kazakhstan was ready for financial investments with members of the OIC and to create joint ventures with other states in the region. He ended by saying that he hoped for a greater cooperation and coordination between the Muslim countries and the rest of the world so that many countries could benefit from the global economic developments.

DR IZZAT DAJANI, Head of Key & Priority Clients, Goldman Sachs International and former Managing Director, Ras Al-Khaimah Investment Authority, in his presentation stressed on the importance of improving the image of Muslim countries which were noted to be unsafe for economy and business investments. 'Perception' was all that mattered to make or break an economy as perception fuelled speculation, which in turn determined FDI inflows and outflows in the region. He commented that the world had witnessed fast-paced developments and changes, especially in the economic and developmental sectors, adding that there were no boundaries between countries of the Muslim world and it was necessary to exchange information and expertise. He reminded the Forum that successful nations were those endowed with a combination of real vision, strong leadership and a can-do attitude.

He pointed out that the Arab world comprising 4.35% of the world's population could only contribute to less than 2.8% of the world's GDP collectively. Then he added, the population of Muslim world of about 29% contributed to less than 8.8% of world's GDP, clear evidence showing



disparity between the size of its population and economy. He shared his personal experience during his tenure at Ras Al-Khaimah where its GDP grew by 18% in 2005 and also witnessed a growth in CAGR of 10% during the period of 2001-2005 that led to an unprecedented FDI into the Emirates. He explained the reasons behind their success were because they introduced a private sector mentality into the government, and operated in the true sense of a pro-business government with objectives of promoting business, enhancing

the business environment, creating the business opportunities

and placing these with local, regional and international investors.

Successful governments and winners were those that improved their perceptions to change and remained ahead of others. Governments of the Muslim world needed to go through self-reform and self-adjustment in order to embark on the path of change and improve perception. Public-Private Partnerships (PPP) are instrumental but suggested that the public sector needs to increase efficiency, improve infrastructures, minimise bureaucracy and others. The region needs to shift its economic model from low-wage low-productivity culture to high capital-intensive high-productivity new culture. The Arab world has 50% of population below the age of 21 and to maintain the current level of unemployment 80 million new jobs must be created. Education and healthcare need to be reformed. None of the Muslim countries were in the top 20 in terms of spending on R&D.

QUESTION & ANSWER SESSION

In the Question and Answer session, the Chairman in response to tapping on African markets and Sudan, said that the real issue in Sudan is a lack of conviction and strong national sovereignty. Many had dealings in Sudan but there were problems with the private sector. They seemed not to be ready to receive foreign investments since the 60's and 70's, although the trend is slowly changing these last 2-3 years.

Mr Toyoo said that economic exchange could be conducted between the Muslim world and Japan where Japan can transfer technology capacity to this region. Japan's trade with the Arab countries are not large in terms of quantities although they are aware of the Arab countries' resources. He cited the petrochemical industry as most promising industries to diversify and when the Arab countries are ready to do that, Japan would be very happy to create trade with each other.

Mr Blair mentioned that there are tremendous economic investment and business opportunities within the Arab countries and he welcomes trade between Europe and the Muslim world. It is not just about the economies of the two regions, but also about greater political ties, and cultural exchange. There is a strong chance of Turkey joining into the EU and this is a significant trend to take note of. One of the most feasible projects to do would be within the telecommunication sector.

PARALLEL SESSION

THE FUTURE OF ENERGY IN A CHANGING WORLD



H.E. MOHAMMED ABDULLAH AL-ALEEM, Minister of Electricity & Water, and Acting Minister of Oil, State of Kuwait who moderated the session, started by introducing the speakers. He stated that this is a very important session because it deals with international demand, increased demand, expected production rate of energy, alternative energy, major drivers, stakeholders, and fluctuation of price, production capacity, and role of politics.

MR NADER HAMAD AL-SULTAN, Senior Partner F & N Consultancy Company discussed his thoughts of the key challenges being faced by the Middle East producers. Industry observers argue that the oil industry faces a new landscape and that they are in a "new oil world".

He then elaborated upon the new trends of world oil:

1. Uncharted waters

- Sustained increase in oil prices - \$ 120/BBL
- Proper perspective on the terms of "high" and "higher" based on a usage of CPI
- US gasoline prices @ \$3/gallon are below 1920 in real terms
- Oil prices did not reflect the complexity of finding + producing it
- One deep water well costs US\$150 -200 million
- Drilling at 31,000 feet
- Rise in price due to the weakness of the Dollar
- Oil is referred to as "new gold"

2. Supply insecurity

- Rapid increase in energy demand

3. All sectors of the energy are investing rapidly

- Upstream
- Refining
- Chemicals
- LNG

4. Resource Nationalism – new move due to the increase in price.

5. Growing role of the Middle East

- Middle East will meet $\frac{2}{3}$ of increase in global oil demand
- Will strengthen its position as world's largest exporter

6. Environment – he acknowledged the Global warming effect which might change the nature of the industry.

He concluded his session by asking the delegates to recognize that world energy impacts extend beyond national borders, and those countries that are blessed by God Almighty with abundant natural resources have a global responsibility to help those who are not equally blessed.

MR VADIM ZVERKOV, Chairman of the Board, JSC National Company Social-Entrepreneurship Corporation of Saryarka, Kazakhstan started his speech by introducing his corporation. The corporation was created last year as a National Company. It is a principally new system of the state assets management, promoting private business initiative and innovation development introduced by President Nursultan Nazarbayev. The basic idea is public-private partnership.

In total there are seven Social-Entrepreneurship corporations created in Kazakhstan covering their seven macro regions. The Saryarka Corporation operates in the central part of Kazakhstan covering Akmola and Karaganda regions as well as the capital Astana, with the main task of carrying out a new breakthrough in building an alliance between the government and business, both domestic and foreign. Profits from the Corporation's activity are directed to the social sphere and the further development of non-extractive industries. The corporation participates in joint projects with the private sector by granting the land, finance, rights of subsurface management as well as building and developing infrastructure. They implement projects in such spheres as agriculture, alternative energy, construction, transport logistics, processing of the solid domestic waste, and others. Their priorities focus on construction of the Industrial park in the Karaganda city. On a platform of more than 500 hectares all conditions would be created for the development of manufacturers. Social-Entrepreneurship Corporation will act as an operator of the industrial parks. They also have plans to allocate in the parks' territory large enterprises in the field of metallurgy, metalworking, construction industry, transport logistics and so on. Nowadays there is a sharp



Two of the panelists of the session on "The Future of Energy in a Changing World" (L – R) Jamal Al-Nouri, Managing Director of Planning, Kuwait Petroleum Company and Nader Hamad Al Sultan, Senior Partner of F&N Consultancy Company.

deficiency of the electric power sources in Kazakhstan. The creation and the operation of the enterprises in the Karaganda Industrial park requires approximately 200 megawatts of energy. Therefore in order to solve this problem they participate in the construction of thermoelectric power station with an energy capacity of 660 megawatt and heat capacity of 1400 hectocalories per hour. Today they are selecting strategic investors and ready to discuss proposals. The advantage in this project is the availability of necessary raw-material base in the form of stocks of coal.

MR JAMAL AL- NOURI, Managing Director of Planning, Kuwait Petroleum Company, The State of Kuwait stated that the oil and gas industry faces increasingly challenging environments both above and below ground. The soaring project costs and non-conventional resource development and production are expected to come on stream with new technologies. There are a lot of challenges, the most important of which are security supply, oil price vitality, talent shortage and climate change.

World energy consumption is expected to grow by 57% for the next 25 years, despite the relatively high world oil and natural gas process that are projected to persist into the midterm outlook. Liquid remains the dominant energy source, given their importance in the transportation and industrial

PARALLEL SESSION

THE FUTURE OF ENERGY IN A CHANGING WORLD



Official translators of the 4th World Islamic Economic Forum in Kuwait

sectors. The natural gas share will be used to displace the use of liquids in the industrial and electrical power sectors. Higher fossil fuel processes, energy security, improved reactor designs and environmental considerations are expected to improve the prospects for new nuclear power capacity in many parts of the world and a number of countries such as China, India and Russia are expected to build new plants. The higher fossil fuel processes will allow also renewable energy sources to compete economically in some areas, and where there are economically non-competitive government policies and incentives will be given. The renewable share of total world energy consumption is expected to rise from 7-8% in the next 25 years and expected to come from hydroelectric facilities in emerging Asian, Central and South American nations.

KPC and the State of Kuwait are aware of the security of supply issues and ambitious plans have been set to contribute heavily in securing the energy worldwide. Some of the plans:

- Expand locally and internationally both in upstream and downstream.
- To increase its fleet to secure supply.
- To invest over US\$55 billion in the next 5 years.

The other issue that is facing the industry and hindering the achievement of operational and strategic targets is the shortage of skillful workforce, and as a result HR, learning and development departments are therefore increasingly important. Environment issues in the Kyoto protocol requires participating countries to reduce the greenhouse effect but do not indicate the methods for ratifying parties to implement their obligations. He concluded by emphasizing that shared responsibility between producers and consumers could help in addressing future challenges and reducing anxiety in the market.

PLENARY SESSION

ECONOMIC PARTNERSHIP BETWEEN THE GULF COOPERATION COUNCIL COUNTRIES & THE MUSLIM WORLD

H.E. MUSTAFA AL-SHIMALI, Minister Finance and Acting Commerce and Industry Minister, The State of Kuwait who was chairman for the session said that developing an economic partnership between the GCC countries and the Islamic world was very important to provide better living conditions and income for their people.

MR ABDULLAH BISHARA, Former Secretary General, The Cooperation Council for the Arab States and the Gulf said that the GCC countries share common values and goals. The GCC are influential OIC member countries which share a deep rooted respect to the sacred rules of Islam, and historically have had solid cooperation politically, economically and socially. The GCC works toward establishing a common Islamic world by adopting Islamic diplomacy in the area of commerce, trade, infrastructure and tourism.

The GCC has established numerous institutions that have implemented various strategies to promote growth and economic cooperation. Some of these include:

1. The Economic Development Fund

The fund contributes to socio-economic development projects by giving soft loans and grants and enforcing partnership. The funds are:

- a) The Kuwait Fund
- b) The Saudi Fund
- c) The Abu-Dhabi Fund

Until 2008, Kuwait Fund for Arab Economic Development (KFAED) provided loans of over USD10.7 billion to 47 members of the Organization of Islamic Conference (OIC).

2. Sovereign Capital Fund

There is a lot of surplus liquidity in the GCC countries as a result of rising oil prices. By the end of this year, this would mount to USD150 billion. In order to benefit the



Two participants discussing intently during the session on "Economic Partnership between the GCC countries and the Muslim World"

wider Muslim Ummah and for the good of the future well being of these countries, it is important that this surplus liquidity be invested into development activities. This calls for cooperation and partnership within the petrochemical industry in order for the surplus fund to be invested internally and externally. This would generate annual revenue and helps to contribute towards maintaining a surplus balance of payments. He stated that it is important that the GCC seeks to diversify its investment so that risks can be minimized. The Sovereign Capital Fund is among the first 10 funds in the world now estimated to be around USD2.5 trillion. By 2015 this would reach to USD 12 trillion. Such funds are used to buy shares and financial institutions in many countries in the world.

3. The Role of Private sector in GCC

Many companies from the GCC have taken an active role in venturing outside of the region particularly in Asia in the area of tourism, transportation, communication and finance. Kuwait Finance House (KFH), for example, has expanded overseas in countries like Malaysia, Turkey and Indonesia. This represents an interesting new trend on geographical investment strategy among Muslim countries.

PLENARY SESSION:**ECONOMIC PARTNERSHIP BETWEEN THE GULF COOPERATION COUNCIL COUNTRIES & THE MUSLIM WORLD**

Dr. Jassem Al-Mannai, Director General and Board Chairman of the Arab Monetary Fund chatting with Tan Sri Azman Mokhtar, Managing Director of Khazanah Nasional Berhad, Malaysia.

The GCC has also established a fund for poverty alleviation. The GCC countries are very aware that the prosperity and wealth of the region are linked to the rest of Islamic countries and hence cooperation is indeed crucial.

DR JASSEM AL-MANNAI Director General and Board Chairman of the Arab Monetary Fund said that the relationship between the GCC and the rest of the Islamic countries is not just based on religion, but that they share common economic goals that have resulted in many collaborations and strategic partnerships. Some of the factors that explain the commonality between these countries are:

1. Being members of OPEC, this represents an important relationship based on the importance of oil to the world.
2. Labour market - Growth in GCC has brought labour from countries like Pakistan, Egypt, Indonesia, India and so on. He said expatriates brought benefit to the economies of their countries as they transferred from the Gulf to their countries between USD27 billion and 30 billion every year.
3. Development assistance which occurs at three levels:

- Bilateral assistance between governments
 - Institutional assistance, for example the Islamic Development Bank and Arab Development Bank
 - Development Funds such as the Kuwaiti Fund, the Abu Dhabi Fund and the Saudi Fund
4. Trade and Investment – Recent trends show interesting development of increasing trade and investment among Muslim countries.
 5. Contribution to the growth of Islamic Finance Industry

The GCC fund not only funds development in Islamic countries but has contributed to growth in Islamic funding in many non-Muslim countries. Islamic Finance industry is booming and Islamic funds witnessed great acceptance around the world, with value exceeding USD500 billion, distributed among 300 international Islamic corporations in over 50 countries in



the world. Kuwait is among the leading countries in Islamic Finance and Kuwaiti Islamic banks make up 22% of the country's banking sector.

He stressed that the partnership between the GCC and the Islamic countries should work towards increasing capabilities of the Muslim countries, improving living conditions of people and results in the better utilization of economic resources. The GCC with its surplus funds and the other Islamic countries rich in strategic resources like water and vast land for agriculture should work through smart partnerships for mutual benefit. Apart from aid, he stressed however that investment is not just for friendship but must be profitable and market driven.

MR YOUSSEF A. NASR, CEO of HSBC Bank Middle East Ltd said that Gulf economic partnership was able to enter markets in three important geographical areas of the world:

1. Greater China and Asia
2. The Northern region to include Turkey, Europe and the Balkans
3. The South: North Africa like Egypt, Morocco, Algeria and the Sub-Saharan Africa.

In the last 15 years, there has been more collaboration with Sub-Saharan Africa which saw increased political reform, participation of the private sector and opportunities in the agricultural sector.

More food agricultural acreage in the West is being diverted to bio-fuel, and there is reduction worldwide of agricultural land because of increasing urbanization. As such, the issue of the world food crisis calls for serious consideration among Islamic countries on how to seriously solve poverty and malnutrition through improvements in the agricultural sector.

TAN SRI AZMAN MOKHTAR, Managing Director, Khazanah Nasional Malaysia, said that the company is 100% owned by the Government of Malaysia and manages assets of USD25 billion. One of the roles of Khazanah is to establish economic partnership with Muslim countries.

Malaysia as an Islamic country is unique, since Muslims make up 59% of its population. It has the largest concentration of Chinese population outside of China and the largest concentration of Indian population outside of India. Its geographical location at the crossroads of the ancient Silk Road meant that trade has had a long history in Malaysia and Islam came to Malaysia through Muslim traders some 700 years ago. He pointed out that Islamic countries needed to develop their human resources and education.



PLENARY SESSION

ECONOMIC PARTNERSHIP BETWEEN THE GULF COOPERATION COUNCIL COUNTRIES & THE MUSLIM WORLD



Tan Sri Azman represented what he termed as “3 riddles” of the Muslim world:

1. Rich and Poor, Surplus and Want: Why is there such a big gap in the Muslim world between the rich and the poor?
2. All the ingredients but not enough cooks, not enough dishes. The Muslim world is endowed with great resources: money, people, management, land, technology, minerals and yet suffer from lack of quality human capital and do not produce enough for its people.
3. Large liquidity surpluses yet collapsing conventional financial system; Globalisation yet nationalism; and liquidity surpluses that have not translated into strong financial systems in the Muslim world.

To address these, he proposed five strategic solutions:

1. National Wealth and Sovereign Fund management
2. Muslim multilateralism
3. Smart partnership with non-OIC world
4. Commercial & Professional intra-OIC partnerships
5. Sectoral and Development Focus:
 - Islamic Finance
 - Intra-OIC investments (cross and co-investments)
 - Capacity building
 - Khazanah’s focus – IFS and Real Economy

PLENARY SESSION

THE ROLE OF INVESTMENT IN POVERTY REDUCTION



Panelists of the session on "The Role of Investment in Poverty Reduction" talking to each other before their session (L – R) Abdul Latif Y. Al-Hamad, Director General & Chairman of the Board of Directors, Arab Fund for Economic & Social Development, Bob Hawke, former Prime Minister of Australia and Sheikh Dr. Mohammed Sabah Al-Salem Al Sabah, Deputy Minister of Foreign Affairs Kuwait.

H.E. SHEIKH DR. MOHAMMED SABAH AL SALEM AL SABAH, Deputy Minister of Foreign Affairs, State of Kuwait who moderated the session, started by introducing the speakers. He stated that this is a very important session because it deals with poverty alleviation, food crisis, emergency funds and priority should be given to world Muslim hunger and poverty.

DR AMADO BAUBAKR CISSE, Vice President (Operations), Islamic Development Bank stated that the topic was extremely relevant given IDB's commitment to poverty alleviation. Transition economies like China and India emerged as major economic forces in the world and a number of developing countries like Malaysia and Thailand, and recently Vietnam have served as positive case models of development. The most striking feature of the high rates of growth in these emerging countries is that they have been accompanied by a decline in global poverty. The collective lesson from global experience is that the poor need to be given the tools to develop their capabilities, removing barriers that often confront them, improving their status, dignity and respect. IDB has developed its 2020 vision, entitled "A Vision for Human Dignity" which presents a unique vision of its role "to be a leader in fostering socio-economic development" and its mission to alleviate poverty and promote human

development. This mission makes "alleviating poverty" a key strategic objective for IDB.

The IDB's approach that underlines the importance of investments:

1. Senegal Development Organization (OMVS) – working on several major investments, construction of two dams, roads, the development of important areas of irrigated land, production of hydropower as well as the improvement of navigation on the river.
2. Comparable program with evolving approach for the Niger River, two dams (Mali and Niger), intended to develop wide areas of irrigated land and produce electricity.

The type of projects mentioned would allow for food stuff and power production, to help provide a suitable long-term response to the recent increase in food and energy prices that pose a new challenge to poverty reduction. He concluded the speech by saying that there is much work to be done and to move from traditional frontiers, there is a need to find creative solutions and "think outside the box".

MR BOB HAWKE, former Prime Minister of Australia, started his speech by reminding the delegates of the sheer magnitude of the challenge. According to him, President Musharraf of Pakistan in a 2004 speech said that Muslim constitute about 20% of the world's population but represent only 6% of the world's income. 39% of the world's Muslim population live below the poverty line. The President also observed that the majority of Muslim countries stand marginalized in the process of globalization, with 22 of the world's least developed countries belonging to the Islamic world.

They are exogenous factors which contribute to the condition of relative economic backwardness, one of which has been

PLENARY SESSION

THE ROLE OF INVESTMENT IN POVERTY REDUCTION

the selfish shortsightedness of the three richest blocs in the non-Islamic world – the United States, the European Union and Japan, referring to the collective policies of restrictive tariffs and subsidies for their agricultural industries. He urged the adoption of the “Enlightened Moderation” concept, which he described as involving a win-win situation for the whole world as well as for the Muslim countries. The most basic elements of China’s phenomenal success over the last thirty years were factors of production – natural resources, capital and human resources.

MR ABDUL LATIF Y. AL-HAMAD, Director General & Chairman of the Board of Directors, Arab Fund for Economic & Social Development, stated that the world recently unexpectedly and profoundly sank into a major crisis. It is estimated that 33 countries around the world could face social unrest because of food and energy crises that affect most severely the poor who are left with little room for survival.

He gave some salient facts about the Arab world:

- The region may seem better off than some others parts of the world in terms of level of poverty.
- PPP (purchasing power parity) of USD1 a day based on World Bank poverty level.
- Poverty rate in the Arab region is 3.4% (excluding the GCC).
- Based on national indicators, poverty rate is 23% for the whole region.
- Considerable progress has been achieved in fighting poverty by most Arab countries:
 - > **Oman** – implemented comprehensive human development program that increased life expectancy and reduced infant mortality rates.
 - > **Tunisia** – started reforms in 1960, where extreme poverty rates were reduced significantly, now one of the top ten best performers in human development.



Development strategies and investment policies contribute to fighting poverty by understanding the true causes of poverty, poor education, bad population policies, slow economic growth, and failure of job creation policies.

The three main lessons from the Arab experience:

- Observing policies and investment specifically designed to fight poverty is very effective.
- Commitment, resolve, perseverance and consistency are prerequisites for successful policy making.
- Balance must be always be maintained between economic and social objectives.

He concluded by saying that Islam stresses social balance, compassion and solidarity.

DR SOFYAN DJALIL, State Minister of State Enterprises, Indonesia raised the issue of oil and food shocks hampering economic growth. Indonesia, for example, consumes more than it produces. These factors, combined with high inflation rates, threaten societal and political stability. Surpluses



The other panelists of the session on "The Role of Investment in Poverty Reduction" (L – R) Dr. Sofyan Djallil, State Minister of State Enterprises Indonesia, Dato' Timothy Ong, Chairman of Brunei Economic Development Board and Dr. Amado Boubakr Cisse, Vice President (Operations) of Islamic Development Bank.

should therefore be used for better investment to reduce poverty. One example is agricultural investment, which actually brings about substantial return. Indonesia has adopted a poverty alleviation programme to that end.

There is a need to move towards innovation in a short period of time, to combat existing food distortions. Countries need to locate resources that can for example create fertilizers. Jordan and Morocco contain a substantial amount of phosphate, whilst Indonesia has urea. If these countries, with others, can work together successfully, they would be able to contribute a lot towards development in the Muslim world.

DATO' TIMOTHY ONG, Chairman, Brunei Economic Development Board, stated clearly that economic growth is necessary for poverty alleviation, combining this with strategies for the poor. Secondly, sustainable economic growth requires market friendly policies. However, this will be insufficient unless there is also private and public investment, transportation, education, and health policies, all of which will empower the poor to participate. For example, China has the highest level of public investment (USD1 billion a week),

forming 1.5% of its national GDP, and intends to increase it to 2% by 2010.

He stressed that sustainable economic development cannot be drawn from natural wealth alone. The economic shift from West to Asia (China, Vietnam, South Korea, Hong Kong and Singapore) was not built on natural wealth, but on human capital wealth, innovation, and a knowledge-based economy. Malaysia was also a plantation economy with 80% of its economy on primary products and 20% on manufacturing in 1990. However, it invested into human capital and transformed itself to becoming 80% manufacturing, 20% primary products. Today, it is the most competitive in the Islamic world, with relative and not absolute poverty problems.

Brunei discovered oil in 1980, making it the wealthiest country in the world then, with GDP five times that of Singapore's, and the world's largest crude oil exporter (per capita). It is however experiencing declining income per capita, recognizing it is no longer sustainable to rely on oil. It is important to balance between social and economic objectives.

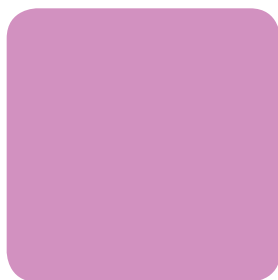
Dato' Ong read out some statistics, saying that not one Muslim country fell within the top 20 countries in the Human Development Index. Amongst the top 50 countries, only five were Muslim countries: Brunei (30th), Kuwait (33rd), Qatar (35th), UAE (38th) and Bahrain (41st).

QUESTION & ANSWER SESSION

During the Question and Answer session, the impact of inequality was raised, where speakers noted that the more equal a society, the faster economic growth would reach the lower rungs. It was stressed again that there was a need to invest equally into human resources as well as capital. Political reform needs to also take place in tandem with economic growth.

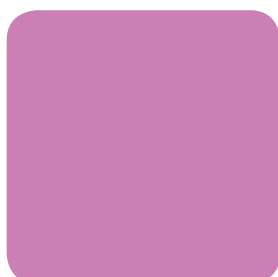


Tun Musa Hitam, Chairman of WIEF Foundation discussing with a participant from Oman.



1st may 08

day three



PARALLEL SESSION: EDUCATION & DEVELOPMENT IN THE ISLAMIC WORLD

H.E. MRS. NOUREYA SABEEH AL-SABEEH, Minister of Education & Higher Education, the State of Kuwait, moderated the session and introduced all speakers.

DR HASSAN ALI AL-EBRAHEEM, President, Kuwait Society for the Advancement of Arab Children, the State of Kuwait, stated that the need for education is standard across Muslim countries. The quality of education should be based on several pillars. The main pillars are education for sustainable development, education training and research, and curriculum and teachers. The first pillar constitutes the main plan and the objectives of education. Second is upgrading of the education system and drawing up a higher policy and incentives.

The education system should introduce technical skills for education for life. Education is the basis for development to achieve a highly skillful task force in the economy. This will create human factors which are not restricted to education. Capital human investment is very important, where there is a need to invest in upgrading school, which would create high impact. Pre-school education is a priority, and for every \$1 used to upgrade its education level, this would be worth \$3 in education overall. In efforts to review vital sectors such as mathematics and science, there is a need to have a revolution of human capital investments.

DR FARHAN NIZAMI, Director, Oxford Centre for Islamic Studies, UK stated the upfront importance of education in global development, and outlined three broad elements that must be adequately addressed in Muslim societies. The biggest challenge the Muslim world faces is that of ideas, which manifests itself in other ways. We live in an age of knowledge economy, and the level of education is particularly important. The study of sustainable development and human rights should be included into education syllabus. Debates surrounding the role of women in society must be addressed, including other sensitive issues.



Billions of dollars have been spent on education in the Muslim world, but there have been no visible results, reflecting a major disconnect: the education system and society Muslims live in. The gap between the traditional and modern has not been resolved.

Promotion of education should involve all walks of life. Humanities, arts and social sciences should equally be invested into. Unless good historians and poets are produced, the Muslim world will not produce scientists who can land on the moon. Not at the exclusion of technical and scientific knowledge, a society that values learning and knowledge needs to focus on the less attractive disciplines that affect polity, society and the economy.

TAN SRI DATO DR. WAN MOHAMMAD ZAHID, Chairman, UiTM (Technology University MARA), Malaysia stated that education has been often invoked in the past two days at the Forum whenever an impasse was reached. Instead of



Some of the panelists of the session on "Education and Development in the Islamic World" (L – R) Mrs Noureya Sabeeh Al-Sabeeh, Minister of Education & Higher Education Kuwait, Dr. Farhan Nizami, Director of the Oxford Centre for Islamic Studies UK and Tan Sri Dato Dr. Wan Mohammad Zahid, Chairman of UiTM Malaysia.

presenting wish lists, he preferred to share with the delegates the concrete measures of making lofty ambitions a reality. Some quotes are that: Education should be the great equaliser of social gaps, promoter of peace and unifier of man, preventing the inevitability of war, the great cultivator of innovation and creativity to release the potential within. What is needed is to translate eloquence into action. In order to achieve these goals, certain prerequisites are necessary. Ignorance of these fundamentals would lead to wastage of resources.

These ingredients of success include curriculum, pedagogy and educational leadership. Only if we get it right at this fundamental level will success be achieved. First, curriculum is the food that nourishes the mind. It is difficult to get the right contents into curriculum, comprising cognitive and affective elements that must be in harmony. For a good curriculum, good curriculum specifications and a teachers' guide are necessary.

Secondly, pedagogy is an indispensable element. Investment into teachers is the acid test. A good teacher is one who guides on the side, teaching the skills of "learning how to learn". The skill of learning is the most intellectual process that forms the very basis of students' education. Finally, educational leadership is essential. Good headmasters are needed, without fear or favour. Good curriculum and pedagogy count for nothing without a good leader.

DR ABDEL MONEIM M. OSMAN, Director UNESCO Regional Bureau for Education in the Arab States, UNESCO representative to Lebanon & Syria, shared his experiences from UNESCO that could be helpful for Islamic countries. Education plays an important role in everyday realities. It is no longer determined by local and national determinants, but also regional, sub-regional and global trends. No change can affect rapid increase of wealth as schools and education would have. Education is hence a prerequisite for rapid economic development, stimulating economic growth, improving lives of people, providing skills and knowledge, foundations of democracy, improve chances of good governance and creates equality among the people. Investment into education enables the country to shift from primary production towards manufacturing, hence enhancing development.

Research has shown that the rate of return (individual/social rate of return) of education lessens the ills of society, such as drug usage, crime, and welfare dependency. The more investment is conducted into school systems, the more return is gained. For every dollar spent on education, seven dollars would be returned upon one's completion of education, improving his chances of employment.

In considering the relationship between education and development, countries would be faced with not only producing labour locally but for international markets. New trends are emerging, connecting education and markets. The Knowledge Economic Index shows the level of knowledge

PARALLEL SESSION:

EDUCATION & DEVELOPMENT IN THE ISLAMIC WORLD



Dr. Hassan Ali Al-Ebraheem, President of the Kuwait Society for the Advancement of Arab Children, Kuwait.



Dr. Abdel Moneim M. Osman, Director of the UNESCO Regional Bureau for Education in the Arab States for Lebanon and Syria.

economy characteristics in a particular country. Countries with an improved economic index are better off.

QUESTION & ANSWER SESSION

In the Question and Answer session, the need for improving the level of understanding of English was raised, especially since latest technologies would most quickly emerge in that language. This would facilitate easy and quick absorption of knowledge for students. Finally, it was stressed that the intention of education was not merely to gain employment but there should be equal importance given to the meaning and process of knowledge acquisition.

An OIC commission in 2005 reported that there were low levels of science and technology, a lack of quality education, and recommended that there should be increased private sector research and development to promote scientific research, enhance exchange of technologies, encourage creative thinking, and develop standards for higher school curriculum. A key recommendation was also to remove prejudices, asking Western countries to remove biases in their curriculum of Islam.

UNESCO would be able to assist on education through its offices on capacity building, policy formulation and strategies. It has a good working relationship with ISESCO, the OIC and IDB and plans to continue working together to address the problems of Islamic countries in the field of education.

PARALLEL SESSION: THE PRIVATE SECTOR ROLE IN DEVELOPMENT



Some of the panelists of the session on "The Private Sector Role in Development" (L – R) Ian Buchanan, Senior Adviser, Booz Allen Hamilton, Tarek Abdulaziz Al-Sultan, Chairman and Managing Director of Agility (Kuwait) and Mohammed Rasheed Kashesh, Minister of Finance Tunisia.

MR MOHAMMED RASHEED KASHESH, the Minister of Finance, Republic of Tunisia, as the Chairman of this session, started by saying that the private sector is important for the continuity of countries' development. The private sector makes decisions based on hard facts and objective inputs and not on emotions. We see a lot of changes and huge development on liberalization and modernization around the world, but what is the real success and the roles of private sector in this area? He stated that panellists would address real issues; the objectives and inputs they consider to facilitate development work in their countries.

This session would be important to understand how the private sector can support the SMEs in Muslim countries, taking on comprehensive roles that contribute towards business. Associations like the Chamber of Commerce can try to integrate activities in order to coordinate the countries' economic development and making private sector as the main driver. He said that questions had surfaced in the past

few weeks on successful models of capitalism and means to link the financial and production sectors, adding that these concerns were the result of the current crisis in the global economy. He mentioned that calls were made on governments to have a greater role and to place budgets that allowed them to play a greater role in the economic cycle. He reiterated the importance between the public and private sectors in the developmental process.

MR TAREK ABDULAZIZ AL-SULTAN, Chairman and Managing Director, Agility, State of Kuwait, started his presentation by stressing that the growth of private sector in the Arabian Gulf is non-optional. 93% of Kuwaiti exports are oil related; 79% from Bahrain; 83% from Oman; 84% from Qatar, 89% from Saudi Arabia and 47% from United Arab Emirates. In total that makes an average of 79% of oil related exports coming from the Gulf Cooperation Council Countries.

He said that the Gulf countries are going to have to create 280,000 jobs a year to absorb their young graduates and the

PARALLEL SESSION: THE PRIVATE SECTOR ROLE IN DEVELOPMENT

public sector is already saturated as 80% of employed Saudis, 80% of employed Emirates, 79% of employed Kuwaitis, and 68% of employed Qataris work for the government. Mr Tarek further said that a vibrant private sector can create efficiencies and reduce costs; create new jobs and promote income security; encourage innovation and the development of new products and services; invest in human capital through on-the-job training and development; diffuse new technologies; and last but not least, play a role in developing the community. But sadly, the Gulf countries are relatively difficult to conduct business in. According to the WEF 2007 Arab Competitiveness Report, the four Arab countries that fall into the category of the world's wealthiest countries also score low relative to their peers in national competitiveness. When benchmarked against a country like Singapore that has no natural resources, the GCC countries fall short on all competitiveness drivers (such as Institutions, infrastructure, macro economy, health and primary education, higher education and training, market efficiency, technological readiness, business sophistication and innovation).

He continued by stating that the biggest underlying reason for the difficulties of doing business in Kuwait is due to the inefficient government bureaucracy that is holding back the private sector from being dynamic. The other reasons include among others, the restrictive labour regulations, inadequate educated workforce, corruption, poor work ethics in national labour force, access to financing, inadequate supply of infrastructure and policy instability. He said that there is a dire need for a governmental reform.

The Gulf countries need to streamline their bureaucracies, ease restrictive labour regulations and invest in educating their workforce. Partnership with the private sector is vital and lessons should be learned from the successful partnerships in the past. For example, United Arab Emirates is a clear regional leader in this regard as seen from the 8.5% real growth rate they achieved in 2007.

And another example is the railroad development in Saudi Arabia. The Gulf government will not and should not undertake this alone and must partner on a win-win situation with the private sector in development projects. In the past when the private sector developed a project, the government inherited them, but this has changed. He commented that the six GCC nations earned USD\$381 billion from oil exports in 2007 and if the oil price remains at USD\$100 per barrel, then the Gulf States will make USD\$9 trillion by 2020. He ended by reminding the GCC countries to be vigilant against complacency and to develop vibrant and diversified economies with the private sector.

MR ADNAN ABDULAZIZ AL-BAHAR, Chairman and Managing Director, The International Investor Company, State of Kuwait, started his presentation by asking the questions "What do we mean by economic development? And what do we mean by private sector?" Private sector can be defined as a community working in a framework. Private sector does not need the government's decision, as the government is just an instrument for development.

The better question to ask is, "What is the role of government in helping or supporting the private sector?" He continued



Panelist for the session on "The Private Sector Role in Development", Olive Zaitun Kigongo, Chairman of the Chamber of Commerce of the Republic of Uganda.

by saying that the economic pyramid in the Gulf States was upside down, and as such the private sector plays a smaller role as opposed to a bigger one for the public sector. He explained that the public sector was economically active because of the dependency of Gulf States on oil, adding that the main problems in the Third World countries stemmed from their dependency on natural resources, making the government control all the money. He ended by suggesting ways to put the government back to its natural role, helping society to become efficient and productive by encouraging competitiveness.

MRS OLIVE ZAITUN KIGONGO, Chairman of the Chamber of Commerce, Republic of Uganda, started by saying that the private sector is widely recognized worldwide as the main driving force of social economic development. Through investment and trade the private sector has contributed greatly to the shaping of the socio-economic global process. In Uganda, the economy was liberalized in 1987 with reforms that included privatization of state enterprises, liberalization of the foreign exchange management and removal of restrictions on the current and capital accounts thus allowing unrestricted transfer of funds into and out of Uganda as well as having interest rates that are determined by market forces and the enactment of supportive legal framework.

As a result of reforms, Uganda has since enjoyed and maintained an average GDP growth of 6% over 10 years and poverty level fell sharply from 56% in 1992/93 to 38% by 2002/03.

Touching on the development of SMEs, she said that the majority of the economies in the Muslim world/LDCs, the SMEs account for more than 80% of the business population. Evidently, the SMEs play a vital role in the economic growth and job creation whilst contributing to social, cultural and environmental progress. However, access to financing still remains a major constraint to SMEs. Uganda's population



growth rate of 3.2% is seen as a resource as well as a challenge to private sector development. They are struggling to provide secondary education with little emphasis on skills but more on literacy and numerical issues. She suggested that more efforts must be done to impart the relevant skills to their young people to enable them to undertake research and development for innovation and technology to boost their private sectors and country's economy.

She pinpointed the need to expand their investments in the ICT (Information and Communications Technologies) as well as to broaden the opportunities for apprenticeships. More importantly, reforms to enhance the efficiency of the PPP (Public Private sector Partnership) are necessary to dismantle bureaucratic bottlenecks. She also called for reforms to facilitate the entry of women into public life, production, entrepreneurship, education, and others. Mindsets of some cultural beliefs and practices that serve to limit the involvement of women in all aspects of the public life should be changed.

MR IAN BUCHANAN, Senior Advisor, Booz Allen Hamilton, shared a personal journey of 36 years from the perspective of private sector in Asia where he saw Asia regaining its economy after going through the financial crisis. He talked about three main things, i.e. the Asian growth where the private sector plays a very important role, the implications for OIC, and the perspectives on role of private sector in OIC development.

PARALLEL SESSION

THE PRIVATE SECTOR ROLE IN DEVELOPMENT

He said that one should embrace the philosophy of “No One Size Fits All”, that there is no one ‘right’ path to development and so there is no one role for the private sector to play. He further stressed that just like the OIC, Asia also has a complex portfolio of economies and different strategies must be used. The Asian economies experimented with three models of different roles of private sectors, i.e. the communist, open market and socialist models. He said that the NIEs formulated by Malaysia and Indonesia emphasized that private sector is critical to growth and the policy did not focus on ‘ownership’ but instead on ‘competitiveness’. The private sector companies have close and informal ties with political parties and there were regulations on privatization and corporatization.

He further talked on the implications on the OIC where open markets will encourage strong private sector and minimal control of ownership and deregulation and liberalization of trade policies. He stressed that successful development needs partnership between the public and private sectors with clearly defined roles. He also talked about five points on the role of the private sector: the OIC is even more diverse than Asia. Some examples to learn from are Malaysia’s 20/20 Vision; establish GLCs in high risk infrastructure projects for example ports and airports; provide market friendly policies and establishing institutions and have forums like WIEF to listen and exchange views and finally manage cultural shift with ideas to celebrate business success as well as failures, create role models in business.

QUESTION & ANSWER SESSION

The Chairman commented that at this session all the speakers affirmed the important role of the private sector in the developmental process, noting that this did not mean ruling out the part played by the State in terms of monitoring and legislating. They all seemed to concur that the private sector was a basic factor in the developmental process and the main motivator for economy.

QUESTION 1

Based on the five points raised by Mr Ian Buchanan in his presentation, in your opinion, does the responsibility lie with the leaders of the industry or the government to have a vision? Do you think that a country can develop without having a leader with a vision and determination?

QUESTION 2

The private sector does not care too much about sustainability and environment as they only care about how much money they can make. They should be responsible for education development so that graduates can be produced. There

should be areas like sustainability, environment as well as education development that should have been deliberated at this session so that we all could be enlightened. To Mr Ian Buchanan, in your opinion, are the Muslim countries ready for development and can you guide them based on your personal experiences in Asia?

QUESTION 3

Our experience in Bangladesh in its regulatory reforms has been very encouraging. Over the last 1 ½ years we have strong anti-corruption drive. In your opinion, is it good to be totally no-corrupt in order to lead for development or is it better to strike a balance so as to encourage and expedite development?

QUESTION 4

There is an association for businessmen that started in 1956 and it now has more than 5,000 members and representing more than 10,000 companies in the private sector in Turkey.

QUESTION & ANSWER SESSION

This association complements the government and wishes to link up with the Muslim world. There is a meeting on October 23, 2008 where 35 Muslim countries will be represented. It will be a platform to increase the economic activities among the Muslim countries, to help in leading towards some developmental process and more importantly, to try to resolve some of the Muslim world's problems on education, culture, economy and political.

QUESTION 5 (COMMENT/SUGGESTION)

It seems that the public sector is not represented at this Forum. It will be good for them to listen to the issues, views and suggestions raised here so that they can understand the real situation better and able to help and support the private sector in developing the economy and country together.

QUESTION 6 (COMMENT)

Mr Adnan reminded us that the 'trees are blocking us from seeing the forest'. This is the case in our country. Mr Ian Buchanan said that there are many models countries can use, even countries without natural resources can use any of the models. So, the word 'development' has many meanings. The relationship between the public and private sectors is intertwined. We should know and fully understand the roles of private and public sectors as no government gives the private sector a freehand and it is very clear that the discovery of oil was from the private sector. So, every country should have its own experiment, for example, Iran shifted from total dependence of oil to diversification of income annually.

QUESTION 7

When you talked about Singapore's human capacity and knowledge-based economy, do you have a guideline to enlighten us on the percentage of the category?

ANSWERS:

Mr Ian Buchanan responded to some of the questions/comments made by reiterating that "no one size fits all" and that the two most crucial factors to him are to understand the concept well and to have a strong leadership, like Singapore having a top-down leadership and Hong Kong having no regulation and emphasizing on the freedom of human capital. The public sector must create a foundation of knowledge and encourage education among its people. As for Bangladesh, if a country has bureaucracy issues as well as corruption problems, companies need to decide today where they want to be 40 years from now. The government needs to develop a sound plan to bring the people together from the public and private sectors. On the human development matter, Malaysia for example, has grown at a lesser rate than it should because it focused on having a balanced growth and poverty eradication and Malaysia is an excellent example in poverty eradication.

Mr Adnan Abdulaziz Al-Bahar responded to the questions and comments made from the floor by insisting that they were asking the wrong questions at the Forum. He commented that corruption is a natural practice but transparency should help to reduce the problem, but one cannot expect it not to exist and persist.

Mr Mohammed Rasheed Kashesh ended the Forum by making his last comment that he believes in transparency and people need to recognize that the problem of corruption is an existing phenomena. If there is a high level of bureaucracy, that will definitely lead to non-transparency and more corruption problems. The concept of development is a shared role between the public and private sectors and both parties must collaborate for mutual benefits and returns.

CONCLUDING SESSION



The line-up of dignitaries at the Closing Ceremony of the 4th WIEF (L – R) Tun Musa Hitam, Chairman of WIEF Foundation, Faisal Mohammad Al-Hajji Bukhadhour, Deputy Prime Minister of Kuwait, Dato' Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia and Irman Gusman, Vice Chairman of the Regional Representative Council of Indonesia representing Susilo Bambang Yudhoyono, the President of Indonesia.

DATO' SERI ABDULLAH AHMAD BADAWI, Prime Minister of Malaysia and Patron of WIEF, stated in his speech that we have to remain true to the mission of the WIEF which is twofold: first, to assist Muslim countries to cooperate with each other in international economic and development issues; and second, to assist Muslim countries to become competitive players in the wider world of international trade and investment. He hoped that the 4th WIEF would record concrete achievements in promoting business cooperation, strategic partnerships and human capital development.

He mentioned that today the world is facing so many challenges that can bring about serious economic, social, political and security impacts. The sub-prime crisis affecting American financial institutions continue to hang over the economy of the United States and it may very well become

a global contagion, affected by a global economy that is hampered with strong inflationary pressures brought about by high oil prices and the increasing costs of basic foodstuff. He advised that the OIC countries need accurate monitoring of the developing situation and placing effective surveillance mechanisms to provide early warnings against uncertainties can do this.

Thus, it is imperative now for the Muslim world to examine closer the economic potentials that exist in the Muslim countries, like the markets for 'sharia' compliant 'halal' products. Malaysia has taken steps to make itself a hub for 'halal' products and services, including the establishment of a 'halal' certification. He urged the Muslim world to seriously tap into this special niche market because according to a report by A. T. Kearney, the Muslims are one of the fastest growing markets in the world with 1.56 billion people, constituting 20%

of the world's population. In monetary terms, it is estimated that there is a USD2 trillion potential in various sectors, particularly 'halal' foods and finance. He announced that Malaysia will be hosting the World Halal Forum in Kuala Lumpur from May 12 to 13, 2008 and he graciously extended his personal invite to everyone at the Forum.

He stressed that economic development is definitely the key to uplifting the quality of life in Muslim countries and societies and therefore, WIEF must quickly recognize the urgency of this task, as it is vital that Muslim countries be taken out of the poverty cycle and deprivation. He argued that one of the ways to do this is to have investments in human capital and there is already a threat of growing unemployment. Thus, education programmes must increasingly be industry relevant and development planning must equally cater for the creation of employment opportunities. He said that after four years the WIEF has now succeeded in making an impression on international traders and investors and it should consolidate its role as the permanent trade and investment link for economies of the Muslim world on one hand, and between the Muslim and the non-Muslim world on the other hand.

Representative of THE HON. SUSILO BAMBANG YUDHOYONO, President of the Republic of Indonesia, H.E. IRMAN GUSMAN, Vice Chairman of the Regional Representative Council, Republic of Indonesia stated that Indonesian delegates place great importance to this meeting reflecting the largest Muslim population in the world. Indonesia is fully committed to the Forum and it is important to play a significant role in promoting human development, particularly among the Ummah. During the last four years, WIEF has successfully continued to deliver the main goals to strengthen partnership between businesses for the betterment of mankind.

The issue of food and energy security has been repeatedly mentioned as a serious threat. Energy security is a subject

that requires continued dialogue. Greater commitment is necessary, to develop new and clean energy from all sources: sun, wind, tidal currents and waves, geothermal and hydro energy and bio-fuels. Food self-sufficiency should be considered an integral part of energy self-sufficiency, as it reduces food miles and ecological footprints, saving on both energy and carbon emissions. Food produced locally and consumed fresh enhances its quality and nutritional value, improves the health of the nation. However, not all Islamic countries are self-sufficient in addressing energy and food security. Therefore the Muslim world needs to maintain and foster a mutually beneficial cooperation amongst them. It is necessary to take into consideration through WIEF the need to develop a Food Bank. Indonesia will be supporting this program since it has ample supply of land resources, 1.7 million hectares of land available to be developed.

It is imperative to face globalization in a spirit of solidarity and sincere cooperation, particularly amongst the Muslim brotherhood. Through the powerful income distribution system of Zakat there is an opportunity to strategically uplift the poor. Trade, tourism, cultural exchanges and investment activities amongst Muslims should be enhanced globally. Through Science, information and communications technology, the Muslims must lead and embrace the world as part of their responsibility as Khalifah of this world.



Tun Musa Hitam, Chairman of WIEF Foundation escorting Dato' Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia to the conference hall for the Closing Ceremony.

CONCLUDING SESSION



The scene at the conference hall during the Closing Ceremony of the 4th WIEF.

Then, he invited participants to take these opportunities to invest in Indonesia in areas such as:

- Infrastructure – power plant, port, and toll road, mining and energy, manufacturing, agriculture, tourism as well as syariah financial system.
- Development policy called “pro-poor, pro-growth and pro-job” – people centered and regional bases.

He finally ended his speech with sincere gratitude for honoring Indonesia to host the Fifth World Islamic Economic Forum in 2009 and invites all delegates to attend and share their insights into how Ukhuwwah (Brotherhood) can better serve the needs of mankind.

The 4th World Islamic Economic Forum Declaration was then read out to delegates of the Forum.

TUN MUSA HITAM, Chairman of WIEF, in his closing remarks said that judging by the presence of such top level world leaders, the number of distinguished high level business people from all over the world, the quality of discussions and enthusiastic participations at the Forum, the

4th WIEF was a great success indeed. On behalf of all the participants, especially the foreign participants, and also his colleagues at the IAP, he expressed his deep gratitude and thanks to the government of Kuwait for putting together a successful Forum. He added that Kuwait is a leading player and has played an active role in the economic and Islamic financial sectors and in the developmental process of many countries, including Malaysia.

He further added that this 4th WIEF saw the personal attention and dedication by the Muslim world’s leaders. He was happy to observe that during the last three days at the Forum, “high-powered” discussions had taken place among so many quarters and it had been a very good platform especially for the businessmen who need to touch base and exchange views.

Tun Musa Hitam commented that over the last four years WIEF has embarked on some small projects for the youths and women, especially on education that were mooted from the discussions at the Forums. He reminded all that the WIEF has been operating on a shoestring budget with a part-time office and despite all the difficulties they had faced, the WIEF is where it is now. He was proud to announce that with the generosity of the Malaysian government and its Prime Minister, WIEF now has a permanent and full-fledged office effective from May 2, 2008. He announced the appointment of Tan Sri Ahmad Fuzi Hj Abdul Razak as the 1st WIEF Secretary General. Before he ended his speech, he mentioned that he was happy to announce that the 5th WIEF would be held in Indonesia next February 2009 and that there are many Muslim countries that have expressed their intention to host the following WIEFs, including Senegal in 2010.

CONCLUDING SPEECH BY THE PATRON OF WIEF FOUNDATION:

The Hon. Dato' Seri Abdullah bin Haji Ahmad Badawi,
Prime Minister of Malaysia



His Highness Sheikh Nasser Al-Mohammed Al-Ahmad Al-Sabah, Prime Minister of Kuwait;

The Hon. Tun Musa Hitam, Chairman, World Islamic Economic Forum Foundation and the W.I.E.F;

Excellencies, Distinguished Guests,
Ladies and Gentlemen,

Assalamualaikum, and a very good morning to all of you.

Alhamdulillah, all praise be to Allah, by whose grace and blessings we are able to meet here in Kuwait. I am delighted to be able to be with you in this Concluding Session of the 4th World Islamic Economic Forum.

As Patron of the WIEF, it gives me great satisfaction to see such a distinguished assembly of people of various nationalities and cultures, from various parts of the world, gathered together for the united purpose of finding business solutions to problems concerning Muslim countries, and thereby securing a better life for many of the world's poorest who live in these countries.

Indeed, we must always remain true to the mission of the WIEF which is twofold. First, to assist Muslim countries to cooperate with each other in international economic and development issues. Second, to assist Muslim countries to become competitive players in the wider world of international trade and investment. I hope therefore, as we prepare to journey home to our respective countries, that this 4th Forum will record concrete achievements in promoting business cooperation, strategic partnerships and human capital development. I hope you have also been able to share knowledge about best practices so that Muslim countries can become efficient producers of goods and services.

I commend the World Islamic Economic Forum for being very successful in bringing together many Heads of State and Government, Cabinet Ministers, captains of industry, business entrepreneurs and strategic thinkers. The fact that the participants have been able to discuss critical issues and challenges facing the Muslim world in an atmosphere of peace and goodwill between Muslims and non-Muslims is a great achievement by itself. Indeed, we can claim that this is the contribution of the WIEF to the wider dialogue for engendering greater understanding between the West and the world of Islam.

Ladies and Gentlemen,

I am very aware that this Forum has convened at a time when the global economic outlook is fraught with uncertainties. The sub-prime crisis affecting American financial institutions continue to hang over the economy of the United States. The

CONCLUDING SPEECH BY THE PATRON OF THE WIEF FOUNDATION:

The Hon. Dato' Seri Abdullah bin Haji Ahmad Badawi,
Prime Minister of Malaysia



sub-prime crisis in America may very well spread to become a global contagion. The global economy is furthermore faced with strong inflationary pressures brought about by high oil prices and the increasing costs of basic foods. These are challenges which can bring about serious economic, social, political and security impacts. We need accurate monitoring of the developing situation. Member countries of the O.I.C would do well to put in place effective surveillance mechanisms which can provide early warnings against uncertainties, including possible global financial instability.

In the face of these global uncertainties, it is imperative now for Muslim countries to examine more closely the economic potentials which exist in the Muslim world itself. I am referring to the market for sharia compliant halal products. A report by the firm of A.T. Kearney, the well known global strategic management consultant, says that Muslims comprise one

of the fastest growing markets in the world. The 1.56 billion Muslims living in various parts of the world constitute 20% of the world's population. In monetary terms, the report says this market represents significant sums, an estimated USD 2 trillion potential in various sectors, particularly halal foods and finance. The time has come for Muslim countries to seriously tap into this halal market which is fast developing into a mainstream industry. Towards this end, my country, Malaysia has taken important steps to make itself a hub for halal products and services, including the establishment of a halal certification system which meets international standards. I would like to inform you that the Malaysian standard has been approved by the U.N CODEX. It is a widely accepted standard similar to the I.S.O standards maintained by the International Organization for Standardization. In Malaysia, the certificate issuing authority is the Malaysian Halal Industry Development Corporation.

The halal industry does have real potentials for further development because it concerns not only food and Islamic banking but also, among other things, drinks, apparel, hygiene products, nutritional supplements, financial instruments and insurance. As part of its continuing commitment to the development of the halal industry, Malaysia will host the World Halal Forum in Kuala Lumpur, 12-13 May 2008, two weeks from today. We would like to welcome you in Malaysia to take part in this important event.

Ladies and Gentlemen,

I need not recount the dismal economic and social statistics which show evidence of the dire situation of most Muslim countries and societies. Economic development is definitely the key to uplifting the quality of life in these countries and societies. It is therefore a primary function of the World Islamic Economic Forum to foster cross-border partnerships and alliances which would help to develop these economies and ensure a better future for their peoples. The WIEF should recognize the urgency of this task because it is vital that Muslim countries be taken out of the cycle of poverty and deprivation. This is essential for bringing into being a more peaceful and stable world order.

We know that the solution to the problems generated by poverty and underdevelopment lies not only in the construction of infrastructure and the provision of social amenities but also investment in human capital. This is particularly important for Muslim nations which face the threat of growing unemployment. Education programmes must increasingly be industry relevant to make it easier for school leavers to find employment in the job market. Development planning must equally cater for the creation of employment opportunities. I am very pleased to know that the issue of creating a pool of qualified human capital with adequate skills and competencies had in fact been a subject of intense discussion in the present Forum.

In Malaysia, we pay special attention to making education accessible to all including those in the rural and other remote areas of the country. We strongly believe that when young people are equipped with knowledge and skills, they will grow up to become useful citizens who can uplift themselves economically and socially and contribute to the well being of the society at the same time. When we successfully deal with the problems affecting the young population, we are actually solving not only problems of the present but also investing for the future. This is because the youth of today are the leaders of tomorrow and they should be inculcated with the proper attributes of leadership. They should be prepared for leadership at all levels and in various sectors including government, civil society, academia and in business.

Effective leadership can influence others to accomplish social tasks and development objectives. We need leaders who have a strong faith in religion, who are equipped with knowledge and who practise high moral conduct. They must be able to give clear directions while creating space for others to take initiatives. In this Forum, we are most appreciative of the contributions made by the Leaders present in Kuwait during the discussions in the Session concerning Leadership. In this connection, I am delighted to learn that the Oxford Centre for Islamic Studies will be holding a Global Islamic Leadership Programme at Oxford University in England this coming August. That Programme, I believe, will provide meaningful insights into the extremely important question of leadership development in the Muslim world.

Ladies and gentlemen,

I am confident that the WIEF, having established its identity and position in the international conference agenda, has set itself on the right track. The enthusiastic response to this Forum and the high quality of the discussions support this observation of mine. I think, after

CONCLUDING SPEECH BY THE PATRON OF THE WIEF FOUNDATION:

The Hon. Dato' Seri Abdullah bin Haji Ahmad Badawi,
Prime Minister of Malaysia

four years of its existence, the WIEF has succeeded in making an impression on the international traders and investors that the Muslim world is indeed a viable trading partner and an alternative home for global investment. The WIEF should consolidate its role as the permanent trade and investment link for the economies of the Muslim world on the one hand, and between the Muslim and the non-Muslim world on the other. It should continue to set itself apart from other regional and international Forums. It should be proud of its "Islamic" tag as this creates a brand name of its own. Let us make the WIEF capable of leading the Muslim world away from the domain that is synonymous with conflict and poverty to a new era that signifies peace, progress and prosperity. Towards this end, the Government of Malaysia has made a financial contribution to strengthen and establish a permanent Secretariat for the WIEF in Kuala Lumpur.

The most important task before us now is to sustain the momentum. Holding this Forum in Kuwait is indeed timely. This is the first time that the Forum is setting its foot in the Middle East. And it is happening at a time when the region is experiencing high liquidity. We should capitalise on this fact. With vast amounts of reserves available for new investments, the WIEF can function as a clearing house for

the emerging markets of the Muslim countries which are competing for a slice of these funds. There are certainly vast opportunities for investing in infrastructure development and telecommunications as well as in the halal industry which I have earlier singled out for special mention.

Your Highness, Ladies and Gentlemen,

In conclusion, let me express the deep appreciation of the World Islamic Economic Forum Foundation and all participants at this Forum to the Government of Kuwait, in particular to His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al Sabah, The Emir, and His Highness Sheikh Nasser Al-Mohammed Al-Ahmed Al-Sabah, the Prime Minister, of the State of Kuwait. They have indeed been most generous in their hospitality as host to this 4th World Islamic Economic Forum. We are also grateful to the Kuwaiti National Organising Committee and all others involved for their dedication and hard work in ensuring the success of this Forum.

Thank you.

Wassalamualaikum Warahmatullahi Wabarakatuh.



WORLD ISLAMIC ECONOMIC FORUM (WIEF) FOUNDATION

The World Islamic Economic Forum (WIEF) Foundation was established on 6 March 2006 to institutionalise the World Islamic Economic Forum which had its inaugural conference convened in October 2005. It is an independent not-for-profit organisation that administers and organises the annual global and regional Forums as well as its related programmes and initiatives. The Foundation's main objectives is to forge greater business partnerships amongst the Muslim world's business sector, and to act as a permanent trade and business conduit between the Muslim and non-Muslim world. The Foundation also seeks to provide an efficient platform for the best of minds in government and the business world to exchange cutting-edge ideas and opinions for the enhancement of economic wellbeing in the Muslim world.

Under the tutelage of the Foundation, aside from convening the annual global and regional Forums, 3 initiatives covering the issues of women, young leaders and education were established, and are represented by the WIEF Businesswomen Network (WBN), WIEF Young Leaders Network (WYN) and the WIEF Education Trust (WET) respectively. These initiatives were established to develop programmes and business activities to enhance the potential and creativity of the dynamic segments of society, namely women and the youth, with education being the most important means of achieving this objective.

Contact details:

World Islamic Economic Forum Foundation
Level 2
Kompleks Antarabangsa
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Tel : 603 2145 5500
Fax : 603 2145 5504
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Supporting Organisation



Organization of the Islamic Conference

ORGANIZATION OF THE ISLAMIC CONFERENCE

The Organization of the Islamic Conference (OIC) is the second largest inter-governmental organization after the United Nations which has membership of 57 states spread over four continents. The Organization is the collective voice of the Muslim world and ensuring to safeguard and project the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world. The Organization was established upon a decision of the historical summit which took place in Rabat, Kingdom of Morocco on 12th Rajab 1398 Hijra (25 September 1969) as a result of criminal arson of Al-Aqsa Mosque in occupied Jerusalem.

In 1970 the first ever meeting of Islamic Conference of Foreign Minister (ICFM) was held in Jeddah which decided to establish a permanent secretariat in Jeddah headed by the organization's secretary general. Prof Ekmeleddin Ihsanoglu is the 9th Secretary General who assumed the office in January 2005 after being elected by the 31st ICFM.

The Charter of the Organization was adopted by the Third ICFM in 1972 which laid down the objectives and principles of the organization and fundamental purposes to strengthen the solidarity and cooperation among the member states. Over the last 38 years, the membership has grown from its founding members of 30 to 57 states. The Organization has the singular honor to galvanize the Ummah into a unified body and have actively represented the Muslims by espousing all causes close to the hearts of over 1.5 billion Muslims of the world. The Organization has consultative and cooperative relations with the UN and other inter-governmental organizations to protect the vital interests of the Muslims and to work for the settlement of conflicts and disputes involving member states. In safeguarding the true values of Islam and the Muslims, the organization has taken various steps to remove misperceptions and have strongly advocated elimination of discrimination against the Muslims in all forms and manifestations.

The Members States of the OIC faces many challenges in the 21st century and to address those challenges, the third extraordinary session of the Islamic Summit held in Makkah in December 2005, laid down the blue print called the Ten-Year Program of Action which envisages joint action of member states, promotion of tolerance and moderation, modernization, extensive reforms in all spheres of activities including science and technology, education, trade enhancement, and emphasizes good governance and promotion of human rights in the Muslim world, especially with regard to rights of children, women and elderly and the family values enshrined by Islam.

Contact details:

PO Box: 178, Jeddah-21411

Kingdom of Saudi Arabia

Tel : 690 0001

Fax : 275 1953

Supporting Organisation



ISLAMIC DEVELOPMENT BANK

The Islamic Development Bank is an international financial institution established in pursuance of the Declaration of Intent issued by the Conference of Finance Ministers of Muslim Countries held in Jeddah in Dhul Q'adah 1393H, corresponding to December 1973. The Inaugural Meeting of the Board of Governors took place in Rajab 1395H, corresponding to July 1975, and the Bank was formally opened on 15 Shawwal 1395H corresponding to 20 October 1975.

Purpose: The purpose of the Bank is to foster the economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of Shari'ah i.e., Islamic Law.

Functions: The functions of the Bank are to participate in equity capital and grant loans for productive projects and enterprises besides providing financial assistance to member countries in other forms for economic and social development. The Bank is also required to establish and operate special funds for specific purposes including a fund for assistance to Muslim communities in non-member countries, in addition to setting up trust funds. The Bank is authorized to accept deposits and to mobilize financial resources through Shari'ah compatible modes. It is also charged with the responsibility of assisting in the promotion of foreign trade especially in capital goods, among member countries; providing technical assistance to member countries; and extending training facilities for personnel engaged in development activities in Muslim countries to conform to the Shari'ah.

Membership: The present membership of the Bank consists of 56 countries. The basic condition for membership is that the prospective member country should be a member of the Organization of the Islamic Conference, pay its contribution to the capital of the Bank and be willing to accept such terms and conditions as may be decided upon by the IDB Board of Governors.

Head Office and Regional Offices: The Bank's principal office is in Jeddah in the Kingdom of Saudi Arabia. Two regional offices were opened in 1994; one in Rabat, Morocco, and the other in Kuala Lumpur, Malaysia. In July 1996, the board of Executive Directors also approved the establishment of an IDB Representative Office at Almaty, Kazakhstan, to serve as a link between IDB member countries and Central Asian Republics. The office became operational in July 1997 and is now a full-fledged Regional Office. The Bank also has field representatives in eleven member countries. These are: Indonesia, Iran, Kazakhstan, Libya, Pakistan, Senegal, Sudan, Gambia, Guinea Bissau, Mauritania and Algeria.

Contact details:

P. O. Box. 5925 Jeddah
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Telex : 601 137 ISDB SJ
Email : idbarchives@isdb.org

Supporting Organisation



ISLAMIC EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

ISESCO, a specialized institution of the OIC in the field of Education, Science and Culture, was established in Makkah in January 1981 with their inaugural conference held in Morocco in May 1982.

ISESCO was established with the objective of strengthening, promoting and consolidating cooperation among the Member States in the fields of education, science, culture and communication, as well as to develop and upgrade these fields, within the framework of the civilizational reference of the Islamic world and in the light of the human Islamic values and ideals. ISESCO also seek to consolidate understanding among peoples and to contribute to the achievement of world peace and security through various means, especially education, science and culture while encouraging cultural interaction and supporting the aspects of cultural diversity in the Member States, while preserving the cultural identity and protecting the independence of thought among its people.

Contact details:

ISESCO Regional Office in Tehran

1/2, Kalantari St, Sepahbod Garani Avenue, 15847 14911 Tehran

P.O.Box 15745-593

Islamic Republic of Iran

Tel : 9821 8831 6288 / 8882 3274

Fax : 9821 8831 6287

E-mail : isesco@isesco-tehran.org

www.isesco-tehran.org



THE MUSLIM COUNCIL OF BRITAIN

Muslim Council of Britain

The Muslim Council of Britain (MCB) is an umbrella organisation dedicated to the common good, to the betterment of the community and country. It was inaugurated - after several years of wide-ranging consultation and careful planning - on November 23 1997 at the Brent Town Hall in Wembley by representatives of more than 250 Muslim organisations from all parts of Britain including Northern Ireland. The recent fifth annual general meeting (April 28 2002) affirmed the MCB's status as a vibrant coalition of grassroot organisations and institutions and individual talent and skills that is making a positive and constructive contribution to meeting the needs and the aspirations of the Muslim community in a period of recurring crises and anxious optimism.

Contact details:

PO Box 57330, London E1 2WJ

Tel : +44 (0) 845 26 26 786

Fax : +44 (0) 207 247 7079

Email : admin@mcb.org.uk

Supporting Organisation



ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY

The Islamic Chamber is an affiliated organ of the Organization of the Islamic Conference (OIC) and represents the private sector of 59 member Islamic Countries. It aims at strengthening closer collaboration in the fields of trade, commerce, information technology, insurance/reinsurance, shipping, banking, promotion of investment opportunities and joint ventures in the Member Countries. Its membership is comprised of the National Chambers / Unions / Federations of Chambers of Commerce and Industry of

the member countries.

Contact details:

Islamic Chamber of Commerce & Industry

ST 2/A, Block 9, KDA Scheme 5, Clifton, P.O. Box 3831, Karachi 75600, Pakistan

Tel: 00 9221 587 4910/ 587 4756 | Fax: 00 9221 587 4212/ 587 0765

www.icci-oic.org



ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE

The Islamic Centre for Development of Trade (ICDT) is the subsidiary organ of the Organization of the Islamic Conference, which has been entrusted with trade promotion among the OIC Member States. Its main objectives are:

- To encourage regular trade exchanges among Member States
- To promote investments likely to develop trade flows
- To contribute to the promotion of Member States' products and encourage access to foreign markets
- To promote trade information
- To assist Member States in the fields of trade promotion and international negotiations
- To extend assistance to enterprises and economic operators

Contact details:

Islamic Centre for Development of Trade

AV. Des F.A. R.-BP 13545, Casablanca, Morocco

Tel: 00 212 22 31 4974 | Fax: 00 212 22 31 0110

URL: www.icdt.org

4th WORLD ISLAMIC ECONOMIC FORUM

“Islamic Countries: Partners In The Global Development”

28th April to 1st May 2008

28th APRIL 2008

Events prior to WIEF official opening

WIEF BUSINESSWOMEN FORUM “CAPACITY BUILDING & SYNERGISTIC LINKAGES – THE WAY TO SUCCESS”

- 8.30am – 9.00am** : Arrival of Participants & Registration
- 9.00am – 9.40am** : **OPENING SESSION:**
- H.E. Dr. Sheikha Hissah Saad Abdulah Al-Salim Al-Sabah, Chairman, Organizing Committee, Kuwait
 - Dato Dr Norraesah Mohamad, Chairman, WIEF Businesswomen Network
- Keynote Address by:**
- Azza Fahmy, Chairman / Owner AFJ group of companies, Egypt.
From a one-woman-show to a structured organization
- 9.40 am – 11.20 am** : **PLENARY 1: Igniting the Spirit of Entrepreneurship**
- All round the world, women are starting for-profit and non-profit ventures, developing innovative new products and services, winning patents, and creating new markets. Today, many businesses are owned by women and their numbers are increasing rapidly.
- Speakers:**
- Mrs. Raja Easa Al-Gurg, Chairperson, Council of UAE Businesswomen & Managing Director, Easa Saleh Al Gurg Group, UAE.
 - Mrs. Madawy Al-Hassoun, Member of the Board of Jeddah Chamber of Commerce & Industry, Saudi Arabia
 - Sheikha Hanadi Nasser Bin Khaled Al-Thani, Founder & chairperson of Amwal, Qatar
 - Mrs. Fawzia Mubarak ElHassawi, Director- Business Development, Al-Hassawi Group Companies, Kuwait
 - Mrs. Fadzilah Ahmad Din, Director of Enterprise Development and Entrepreneurship Division, Small & Medium Industries Development Corporation, Malaysia
- Moderator:**
- Ms. Baria Alamuddin, Editor, Media Services Syndicate & Foreign Editor, Al Hayat, UK
(An award-winning journalist & broadcaster in the Middle East and the UK)
- 11.20 am – 11.40 am** : Coffee Break / Informal Interaction
- 11.40am – 1.20pm** : **PLENARY 2: Challenges Faced by Women Entrepreneurs**
- Women entrepreneurs generally lack both hard resources (finance, assets etc) and soft resources (management experience, training etc). They experience difficulties accessing finance both for start-up and business growth. Women tend to use only one third of the starting capital that men do, irrespective of sector. However, money to finance growth may be less available to women owned firms.
- Speakers:**
- Mrs. Sahar Al-Sallab, Vice Chairman & Managing Director Commercial International Bank, Egypt
 - Mrs. Maha Al-Ghounaim, Vice Executive Chef, Global Investment, KUWAIT
 - Mrs. Elham Hassan, The Country Senior Partner for PricewaterhouseCoopers in Bahrain, Bahrain
 - Prof. Elisabeth Engellau, Programme Director of Insead Global Leadership & Adjunct Clinical Professor of Management, FRANCE

- Ms. Rokia A Rahman, Chairman, Women's Entrepreneurs Association of Bangladesh & Chairperson, Arlinks Limited, BANGLADESH

Moderator:

- Dato Dr Norraesah Mohamad, Chairman, WIEF Businesswomen Network

1.20 pm – 2.40 pm

: WORKSHOP 1: New Essence of Business

Science and technology is a powerful domain for marketing and networking. It is high time for the women entrepreneurs to utilize this powerful medium for increased efficiency. The presence of the Internet helps businesses increase their turnover due to its established network. The development of biotechnology has also paved a new way and created great potential for the agriculture business.

1.20pm – 2.20pm

Speakers:

- Mrs Abeda Almahdi, Managing Director, UNICONS Consultancy Ltd. Economic consultancy firm based in Khartoum, Sudan
- Eng. Manar Al-Hashash, Member of High-Level Panel of Advisers of Gaid – United Nations & Board member of World Summit Award, KUWAIT (a Computer Engineer, 9 years involvement in technical projects, media, public and social activities to promote technology)
- Mrs. Sanaa Hamad Al-Awad, SUDAN
- Ms. Parvin Ali, OBE, CEO & Founder, FATIMA Women's Network, UK

2.20pm – 2.40pm

DISCUSSIONS**Moderator:**

- Mrs Begum Salma Ahmed, Founder President & CEO, Women's Chamber of Commerce & Industry, Pakistan

1.20 pm – 2.40 pm

: WORKSHOP 2: Nurturing Linkages and Creating Synergies

With the process of Industrialization, Modernization and Globalization women entrepreneurs must be savvy in realizing their competitive edge and staying ahead of the stiff competition

1.20 pm – 2.20pm

Speakers:

- Ms. Hanaa Al-Hilaly, Director General, International Cabinet of Ministers, Social Fund for Development, Egypt
- Ms. Livia Samaestri, President, International Business & Professional Women Union, Switzerland
- Ms. Douja Gharbi, President & Founder, Forge de la Louve, Tunisia
- Ms. Fadhela Al-Khan, Head, Project Finance Department & Remedial Department, the Bahrain Development Bank, Bahrain

2.20 pm – 2.40 pm

DISCUSSIONS**Moderator:**

- Mdm Olive Zaitun Kigongo, President, Uganda National Chambers of Commerce and Industry, Uganda

2.45pm

: Lunch / Prayers / End of Programme / Business matchmaking / Informal Interaction

4th WORLD ISLAMIC ECONOMIC FORUM

“Islamic Countries: Partners In The Global Development”

28th April to 1st May 2008

28th APRIL 2008

Events prior to WIEF official opening

WIEF YOUNG LEADERS NETWORK (WYN)

- | | | |
|----------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8:00am | : | Arrival & Registration of Participants & Guests |
| 9:00am to 9:10am | : | WYN OPENING ADDRESS
by Jamal Ahmad Al-Shihab, Minister of Social Affairs and Labor |
| 9:10 to 9:30am | : | WYN OPENING REMARKS
by Dato Nazir Razak, Chairman, WIEF Young Leaders Network (WYN)
Progress Report on WYN programmes |
| 9:30am – 10:45am | : | FACILITATING YOUTH DEVELOPMENT: The Role of Local Initiatives
What does it take to move up the value chain? For the sake of better prospects, there is a strong need to encourage young people to move from the public sector to the private sector. Thus the youth need to be trained to run their own offices and their own businesses. They need to learn to become entrepreneurs in their own right. What are the steps to take? What are the roles of local initiatives in developing the youth in this regard?

Panellists: <ul style="list-style-type: none"> • Dato Nazir Razak, Chairman, WIEF Young Leaders Network • Mikhail Islam, Executive Director, Chittagong Skills Development Centre (CSDC)
Under-Secretary of the Ministry of Industries, Production & Special Initiatives • Sir Iqbal Sacranie, International Advisory Panel member, WIEF Foundation Moderator: <ul style="list-style-type: none"> • Saleh Al-Ateeqi, McKinsey & Company, Inc. International |
| 10:45am – 11:00am | : | Refreshments & Networking |
| 11:00am to 12:00noon | : | Plenary Session: Encouraging Mentorship Programmes: Developing Young Leaders
Knowledge sharing is a key ingredient towards a cohesive and enlightened society. Even more so when it involves the most dynamic segment of society, the youth. Is the culture of knowledge sharing pervasive enough in the Muslim world? Do professionals talk among themselves? Do professional and business associations constitute significant social units in the Muslim world? How can we nurture peer-to-peer networking? What are the roles of institutions in encouraging skills exchange and entrepreneurship?

Panellists: <ul style="list-style-type: none"> • Hesham A. Tashkandi, General Manager, The Centennial Fund • Mahmoud Atalla, Head of the Mosaic Programme, The Prince's Trust • Anas J Meerza, Assistant Vice President, Investment Technology Entrepreneurship Centre • Khalid Al Zanki, Young Arab Leaders, Kuwait • Rana Kamshad, Injaz, Kuwait Moderator: <ul style="list-style-type: none"> • Dato Nazir Razak, Chairman, WIEF Young Leaders Network |

12:00noon – 12:30pm	: Break and Prayers
12:30pm – 1:30pm	<p>: Strategic Talk Session: Money Matters: Financing SME Businesses</p> <p>How best can we provide seed capital for SMEs? Is there a need to formulate terms and conditions for seed capital to increase accountability and efficiency in business? How do we collaborate with Islamic financial institutions such as the Islamic Development Bank (IDB) to provide a proper financing structure for young entrepreneurs?</p> <p>Panelists:</p> <ul style="list-style-type: none"> • Hassan Mohammad Al-Qunai, General Manager of KSPDC Kuwait,, KSPDC, Kuwait • Tengku Zafrul Aziz, CEO of Tune Money • Dr Fathi Osman, Professor, Public Authority for Applied Education and Training, Kuwait <p>Moderator:</p> <ul style="list-style-type: none"> • Jasem Al-Ammar, Industrial Bank of Kuwait
1:30pm – 2:00pm	<p>: WYN CLOSING CEREMONY</p> <p>Closing Address by Jamal Ahmad Al-Shihab, Minister of Social Affairs and Labor</p> <p>Closing Remarks by Dato Nazir Razak, Chairman, WIEF Young Leaders Network (WYN)</p>
2:00pm – 3:30pm	: Lunch

4th WORLD ISLAMIC ECONOMIC FORUM

“Islamic Countries: Partners In The Global Development”

28th April to 1st May 2008

DAY ONE 29th APRIL 2008

10.30am – 12.00pm

Venue: Bayan Palace

OFFICIAL OPENING CEREMONY

- Recital of the Quran
- **Welcoming Speech** by H.E. Faisal Mohammad Al-Hajji Bukhadhour, Deputy Prime Minister of Kuwait & Kuwait National Organising Committee for 4th WIEF
- **Opening Keynote Address** by H.H. Sheikh Sabah Al Ahmad Al-Jaber Al- Sabah, The Emir of the State of Kuwait
- **Special Addresses by:**
 - > H.M. King Abdullah II of the Hashemite Kingdom of Jordan
 - > H.E. Abdoulaye Wade, President of Senegal & Chairman of OIC
 - > H.E. Hamid Karzai, President of the Islamic Republic of Afghanistan
 - > H.E. Dr. Haris Silajdzic, President of Bosnia and Herzegovina Republic
- **Speech by** the Hon. Tun Musa Hitam, Chairman, WIEF Foundation & former Deputy Prime Minister of Malaysia

12.15pm - 12.45pm

Refreshments / Informal Networking / Prayers

12.45 pm – 2.15 pm

Venue: Bayan Palace

LEADERSHIP PANEL: “Islamic Countries In A Competitive World” –

In what way do Islamic values propel Islamic countries forward in an ever-competitive world? Can Islamic precepts be used to create an efficient work culture among the countries in the Muslim world? How critical is leadership in the Islamic world in steering into the right direction? What are the important traits of Islamic leadership that is crucial to compete in the contemporary world?

Leaders:

- H.H. Sheikh Nasser Al-Mohammed Al-Sabah, Prime Minister of the State of Kuwait
- H.H. Sheikh Khalifa bin Salman Al Khalifa , Prime Minister of Kingdom of Bahrain
- H.E. Guillaume Kigbafori Soro, Prime Minister of the Republic of Cote D'Ivoire
- H.E Dr Ahmed Mohamed Ali, President, Islamic Development Bank
- H.E. Souat Mynbayev, Minister of Energy & Mineral Resources, Kazakhstan

2.15pm – 4.00pm

Lunch Break

4.00pm – 6.30pm

PARALLEL SESSIONS & MEETINGS

The aim of each of these parallel sessions is to garner ideas and exchanges related to the particular industry, bringing together the leaders, the small and medium companies to interact with each other. Each session will also showcase selected projects around the Muslim world, seeking for funding or joint venture collaborations across borders.

SMEs

Moderator:

- Dr Atef Obaid, Former Prime Minister, Egypt Country

Global Industry Overview:

- Mr. Tariq Sayeed, President, South Asian Association for Regional Cooperation (SAARC)
- Mr. Tanri Abeng, Chairman and Founder, Executive Centre for Global Leadership

DAY ONE 29th APRIL 2008

Telecommunications, Transport & Logistics

Moderator:

- Eng. Abdulrahman Khaled Al-Ghunaim , Former Telecommunication Minister, The State of Kuwait

Global Industry Overview:

- Mr. Bahjat El-Darwiche, Principal, Booz Allen Hamilton, Middle East

Country Overview:

- Mr. Salahuddin Kasem Khan, Chairman, Aktel Bangladesh

Infrastructure & Real Estate Development

Moderator:

- Eng. Saeed Dashti – Chairman & MD – KGL, Kuwait

Global Industry Overview:

- Mr. Mohd Anwar Yahya, Senior Executive Director, PricewaterhouseCoopers Malaysia

Project Presenter:

- Dato' Ikmal Hijaz Hashim, Managing Director, Iskandar Development Region Authority, Malaysia

TOURISM & TRAVEL

Moderator:

- Mr. Khaled Abdullah Al-Ghanim – CEO, Touristic Enterprises Company, Kuwait Global

Industry Overview:

- Mr. Richard Shediak, Vice President, Booz Allen Hamilton, Middle East

Country Overview:

- H.E. Nan Sy, Ambassador of Kingdom of Cambodia to Brunei Darussalam
- Mr. Muniruddeen Lallmahamood, Director, Global Management & Business Consulting Ltd, Mauritius

8.30pm – 10.30pm

Formal Dinner at Bayan Palace

DAY TWO 30th APRIL 2008

9.30am – 11.00am

PLENARY SESSION:

“The Muslim World As A Burgeoning Market”

Perception is all that matters to make or break an economy. Perception fuels speculation, which in turn determines FDI flows into the region and also capital flight out of the region. This session seeks to address the idea of changing the perception of the Muslim world, from a conflict zone to a booming market of 1.3 billion people with a huge potential to grow into a burgeoning and lucrative market. How can we promote the Muslim world as a lucrative bloc?

4th WORLD ISLAMIC ECONOMIC FORUM

“Islamic Countries: Partners In The Global Development”

28th April to 1st May 2008

DAY TWO 30th APRIL 2008

Chairman:

- Mr. Ali Mohammed Thunayan Al-Ghanem, Chairman, Kuwait Chamber of Commerce & Industry, State of Kuwait

Speakers:

- Mr. Tony Blair, Former Prime Minister , UK
- Mr. Toyoo Gyohten, President, Institute for International Monetary Affairs, Japan
- H.E. Dr. Mohammad Al-Tuwajri, Assistant Secretary General for Economic Affairs, The League of Arab States
- Dr. Izzat Dajani, Head Key and Priority Clients, Goldman Sachs International and former MD, Ras Al Khaimah Investment Authority
- Mr. Kairbek Uskenbayev, Vice Minister for Tourism and Sports, Republic of Kazakhstan

11.00am – 11.30am

Break

11.30 am – 1.00 pm

Venue: Sheraton Hotel

PLENARY SESSION: “The Future of Energy In A Changing World”

Energy has become a central pillar of most Muslim countries in the Middle East and the Central Asia Republics, and has spurred great interest in these regions. Higher spending leads to better investment opportunities. There is also a surge of interest in exploring alternative energy sources in the Muslim world. Such developments provide new partnership opportunities between the Middle East and the developing countries in the Muslim world as well as large energy consuming countries like China, Japan and India. What are the identified sectors of interest? What are the possibilities of partnership? How will oil prices impact on business? What is the outlook for oil prices over the next few years?

Chairman:

- H.E. Mohammed Abdullah Al-Aleem Minister of Electricity & Water, and Acting Minister of Oil, State of Kuwait

Speakers:

- Mr. Nader Hamad Al-Sultan, Senior Partner F & N Consultancy Company
- Mr. Vadim Zverkov, Chairman of the Board JSC “National company “Social-Entrepreneurship Corporation “Saryarka”
- Mr. Jamal Al-Nouri, Planning Managing Director, Kuwait Petroleum Cooperation, Kuwait

1.30pm – 4.00pm

Official Lunch

4.00pm – 5.30pm

PLENARY SESSION: “Economic Partnership between The Gulf Cooperation Council Countries & The Muslim World”

The Middle East is blessed with natural reserves that have translated into huge revenues on oil proceeds for many decades. There is a need to forge business collaboration in the Muslim world to capitalize on this promising development. To date, there is a vast array of promising investment opportunities in the GCC countries that can turn out to be promising ventures for the Muslim world. Can a platform be established to facilitate this business collaboration?

Chairman:

- H.E. Mustafa Jasim Al-Shamali- Minister of Finance, State of Kuwait

DAY TWO 30th APRIL 2008

Speakers:

- Mr. Abdullah Bishara – Former Secretary General – The Cooperation Council for the Arab States of the Gulf.
- Dr. Jassim Al-Mannai, Director General Chairman of the Board, Arab Monetary Fund
- Mr. Youssef A Nasr , Chief Executive Officer, HSBC Bank Middle East Ltd
- Tan Sri Azman Mokhtar, Managing Director, Khazanah Nasional , Malaysia

5.30pm – 6.00pm

Refreshments / Informal Networking

6.00pm – 8.00pm

PLENARY SESSION: “The Role of Investment In Poverty Reduction ”

The most important issue yet in the Muslim world at this moment is the existence of a wide poverty gap between nations. A sizeable proportion of Muslim societies live in abject poverty, despite the presence of immense wealth in other parts of the Muslim world. This begs the question of whether social welfare on its own is enough to alleviate poverty, or does the Muslim world need a more structural approach towards tackling poverty? How does investment factor into the closing of the poverty gap? Does investments into sanitation, electricity, and education make a difference?

Chairman:

- H.E. Sheikh Dr. Mohammed Sabah Al-Salem Al-Sabah, Deputy Prime Minister & Minister of Foreign Affairs, Kuwait

Speakers:

- Mr. Bob Hawke, Former Prime Minister of Australia
- H.E. Sofyan Djalil, State Minister of State Enterprises, Indonesia
- Mr. Abdul Latif Y. Al-Hamad, Director General & Chairman of the Board, Arab Fund for Economic & Social Development
- Dato' Timothy Ong, Chairman, Brunei Economic Development Board
- Dr Amado Baubakr Cisse, Vice President-Operations, Islamic Development Bank

DAY THREE 1st MAY 2008

9.00am – 10.30am

PARALLEL SESSION A: “Education & Development In The Islamic World”

As the saying goes, “An open mind is the best way to look at the world”. Education is the most important factor in shaping a successful civilization. The values that inform a particular education system invariably determine how its people would view the world around them. A sound education and training system impresses upon its people the importance of living a civilized life, of fully embracing its many institutions and seeking to enhance the capabilities of science and technology. It is only with such educational and technical experience that people can fully embrace the sciences and implement it to its fullest capacity. Is the educational corpus in the Muslim world conducive to this view of the world? What are the ways in which we can regain the technological prowess and intellectual tradition of the past? How can such education and training be introduced in our human capital development programmes?

4th WORLD ISLAMIC ECONOMIC FORUM

“Islamic Countries: Partners In The Global Development”

28th April to 1st May 2008

DAY THREE 1st MAY 2008

Chairman:

- H.E. Nouredine Sabeeh Al-Sabeeh, Minister of Education & Higher Education, the State of Kuwait

Speakers:

- Dr. Abdel Moneim M. Osman – Director UNESCO Regional Bureau for Education in the Arab States, UNESCO representative to Lebanon & Syria
- Dr. Hasan Ali Al-Ebraheem, President – Kuwait Society for the Advancement of Arab Children
- Tan Sri Dato' Dr. Wan Mohd Zahid Mohd Noordin, Chairman, University Technology MARA & Chairman, WIEF Education Trust
- Dr. Farhan Nizami, Director, Oxford Centre for Islamic Studies, UK

9.00 am – 10.30 am

Venue: Sheraton Hotel

PARALLEL SESSION B: “The Private Sector Role In Development”

The private sector is crucial as actual prime movers of economic development. Are the structures and frameworks in place to allow for their natural growth, especially taking into account the SMEs? What are the possibilities of public-private partnerships in the Muslim world and what are the challenges facing this arrangement? What are the challenges impeding the growth of the private sector in the Muslim world?

Chairman:

- Mr. Ian Buchanan, Senior Advisor, Booz Allen Hamilton

Speakers:

- Mr. Tarek Abdulaziz Al-Sultan, Chairman, Agility, The State of Kuwait
- Mr. Adnan Abdulaziz Al-Bahar, Chairman & Managing Director, the International Investor, Kuwait
- Mrs. Olive Zaitun Kigongo, Chairman, Uganda Chamber of Commerce and Industry
- Mr. Mohammed Rasheed Kashesh, the Minister of Finance, Republic of Tunisia

10.30 am – 11.00 am

Refreshment / Informal Networking

11.00am – 12.00pm

Venue: Sheraton Hotel

CONCLUDING SESSION

Keynote Address by the Patron of WIEF Foundation – The Hon. Dato' Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia

Speech by Representative to The Hon. Susilo Bambang Yudhoyono, President of the Republic of Indonesia

Declaration of the 4th World Islamic Economic Forum by Faisal Mohammad Al-Hajji Bukhadhour, Deputy Prime Minister of Kuwait & Kuwait National Organising Committee for 4th WIEF

Closing Remarks & Vote of Thanks by the Hon. Tun Musa Hitam, Chairman, WIEF Foundation

12.00pm

Press Conference

- H.E. Faisal Mohammad Al-Hajji Bukhadhour, Deputy Prime Minister of Kuwait & Kuwait National Organising Committee for 4th WIEF
- The Hon. Tun Musa Hitam, Chairman WIEF Foundation



Photos of the Forum

The WIEF International Advisory Panel (IAP) is the strategic body of the World Islamic Economic Forum and its related programmes. This body consists of business leaders of various industries, thought leaders and heads of OIC related organizations. The IAP provides input for the intellectual and strategic content of the annual global and regional Forums, WIEF related programmes and the future of the Forum in general. The IAP typically meets twice a year during which discussions are led by the Chairman of the WIEF Foundation, Tun Musa Hitam. Conclusions to these meetings mould the direction that subsequent events will take in the future.

On the 27th April 2008, the WIEF International Advisory Panel convened its meeting in the Sheraton Hotel & Tower Kuwait, a day before the commencing of the main programme of the 4th World Islamic Economic Forum. The meeting discussed issues related to the organization of the 4th WIEF and the status report of its ancillary programmes. The meeting also discussed the 4th WIEF Declaration and the progress of the various projects concluded under the 3 initiatives namely the WIEF Businesswomen Network (WBN), WIEF Young Leaders Network (WYN) and WIEF Education Trust (WET). Among them are the WYN Groom a Leader Scholarship and Internship programme and the WET's project in Gambia under the WIEF-UiTM International Centre, in collaboration with the Islamic Development Bank (IDB).

Lastly, the meeting announced the establishment of the new WIEF Secretariat and its new office.















DECLARATION OF 4TH WORLD ISLAMIC ECONOMIC FORUM

WE, the Delegates gathered together for the 4th World Islamic Economic Forum (WIEF) with the theme “Islamic Countries: Partners in Global Development” in Kuwait City, the State of Kuwait, from 28th April to 1st May 2008,

APPRECIATING the support, encouragement and wise counsel of H.H. Sheikh Sabah Al- Ahmad Al-Jaber Al-Sabah, the Amir of the State of Kuwait, H.H. Sheikh Nawaf Al-Ahmad Al- Jaber Al-Sabah, the Crown Prince of the State of Kuwait and H.H. Sheikh Nasser Al-Mohammed Al-Ahmed Al-Sabah, the Prime Minister of the State of Kuwait;

RECORDING our appreciation to HM King Abdullah II of the Hashemite Kingdom of Jordan, H.E. Abdoulaye Wade, President of Senegal and Chairman of OIC, H.E. Hamid Karzai, President of the Islamic Republic of Afghanistan, H.E. Dr. Haris Silajdzic, President of Bosnia and Herzegovina Republic, H.H. Sheikh Khalifa bin Salman Al Khalifa, the Prime Minister of the Kingdom of Bahrain, H.E. Dato’ Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia and Patron of the WIEF Foundation, H.E. Nader Dahabi, Prime Minister of the Hashemite Kingdom of Jordan, H.E. Guillaume Kigbafori Soro, Prime Minister of the Republic of Cote D’Ivoire, H.E. Irman Gusman, Vice Chairman of the House of Regional Representatives of the Republic of Indonesia, representing H.E. President Susilo Bambang Yudhoyono, H.E. Souot Mynabayev, Minister of Energy & Mineral Resources of Kazakhstan, representing H.E. President Nursultan Abishuly Nazarbayev as well as former Prime Ministers Prof. Atif Obaid of Egypt, Mr Tony Blair of Britain and Mr Bob Hawke of Australia and H.E. Dr Ahmed Mohamed Ali, President of the Islamic Development Bank for their invaluable contributions;

ACKNOWLEDGING the gracious hospitality of the Government of the State of Kuwait in hosting and ensuring

the success of the 4th WIEF; **APPLAUDING** the generous commitment of \$100Million by H.H. Sheikh Sabah Al-Ahmad Al- Jaber Al-Sabah and the Government and People of the State of Kuwait for the establishment of a food security fund to assist the poorest within the Muslim Ummah alleviate their hunger and build their capacity to achieve sustainable long term food security by investing in the production, storage and distribution of basic foodstuffs; **APPRECIATING** the presence and contribution of all Forum participants as well as their harmony and cultural diversity;

AFFIRMING our belief that the spirit and objectives of the World Islamic Economic Forum remain the effective promotion of sustainable economic development, growth and prosperity of the Muslim Ummah by fostering cross-border business linkages and public-private partnerships and alliances both within the Muslim business community and with the rest of the world;

HEREBY TAKE NOTE of the wise guidance from the participating Leaders:

1. **VISION:** The need for a Shared Vision of ‘Hope, Tolerance and Mutual Respect’ in which the whole of the Muslim Ummah will work to ‘seize the opportunity’ to create a ‘fair economic partnership’ between richer and poorer communities to ‘eradicate poverty, hunger and illiteracy’;
2. **HARMONISATION:** The importance of ‘unlocking the unmet potential’ of our markets by working together to ‘harmonise business, trade and investment regulation and practices’;
3. **EDUCATION:** Achieving our ‘rightful place within the Global economy’ will depend ‘not only on our natural resources but also on our human resources’. Today’s ‘Knowledge Economy’ requires a shared commitment to unlock the full potential of all our people by investing in education from pre-school to post graduate – including

'practical scientific education', the 'education and empowerment of women', and creating conditions which will attract, motivate and retain our best and brightest students;

4. **STABILITY:** Promote a secure, stable and safe environment for business investment;
5. **ENVIRONMENT:** Working with others to better use existing energy resources and to contribute to the development of more sustainable and environmentally friendly new energy sources;
6. **VALUES:** Demonstrate in everything we say and do our Islamic values and work together to promote integrity and good governance;

CONFIRM our continued support for and commitment to the success of WIEF projects:

1. The WIEF-UiTM¹ International Centre and its training, education and R&D programmes, including the proposed WIEF-UiTM-IDB² technical and vocational courses for disadvantaged communities, to be launched initially in The Gambia.
2. The WIEF Young Leaders Network in their ongoing 'Groom-a-Leader' internship and scholarship programs and the 'Lets-Plug-in-Education' rural e-learning program as well as the newly initiated Cross-border Mentorship program to encourage the participation of youth in business activities and to develop and motivate future Muslim business leaders;
3. The WIEF Businesswomen's Network and congratulate them on the success of their expanding Nurses Training Program and on their efforts to empower and engage women fully in the development process by igniting their entrepreneurial spirit through example and the establishment of a 'Training Centre for Women Entrepreneurs';

1 UiTM – Universiti Teknologi MARA 2 IDB – Islamic Development Bank

FURTHER AGREED TO:

1. Support the efforts of the Kuwait Chamber of Commerce and Industry, and the Islamic Chamber

of Commerce and Industry to enhance linkages between the Chambers of Commerce and Industry in the OIC countries with their counterparts in the non-Muslim world;

2. Support the initiatives of the Kuwait Banking Association proposed at its Inaugural Forum for the development of Islamic Banking and Takaful Insurance in both Muslim and Non Muslim countries;

RECOGNISE the importance of public-private dialogue and partnering to realise these aspirations and call upon the Governments of the OIC countries and the Muslim Ummah to work with their private sectors to ensure the successful implementation of the practical ideas and programs identified during the Forum and to develop specific projects strengthening the vibrant SME sector;

THANK the Malaysian Government for its generous grant for the establishment of a permanent WIEF Secretariat as well as all our strategic partners, sponsors, corporate members and role players for their continued support of the WIEF;

ACCEPT the gracious offer of H.E. Susilo Bambang Yudhoyono, the President of the Republic of Indonesia, to host the 5th World Islamic Economic Forum in Jakarta, Indonesia in 2009.

FINALLY, in closing this, the 4th World Islamic Economic Forum, we call on the Forum's Chairman to submit this Declaration to the Chairman and the Secretary General of the Organisation of Islamic Conference.

ADOPTED by the Delegates in the Kuwait City, the State of Kuwait on 1st May 2008.

acknowledgement

The World Islamic Economic Forum (WIEF) Foundation wishes to acknowledge the following for their support and contribution towards the 4th World Islamic Economic Forum:

**H.H. Sheikh Sabah Al Ahmad Al-Jaber
Al- Sabah**
The Emir of the State of Kuwait

H.M. King Abdullah II
of the Hashemite Kingdom of Jordan

H.H. Sheikh Nasser Al-Mohammed Al-Sabah
Prime Minister of the State of Kuwait

H.E. Dato' Seri Abdullah Ahmad Badawi
Prime Minister of Malaysia

H.E. Abdoulaye Wade
President of Senegal & Chairman, OIC

H.E. Hamid Karzai
President of the Islamic Republic of Afghanistan

H.E. Dr. Haris Silajdzic
President of Bosnia and Herzegovina Republic

H.H. Sheikh Khalifa bin Salman Al Khalifa,
Prime Minister of Kingdom of Bahrain

H.E. Guillaume Kigbavori Soro
Prime Minister of the Republic of Cote D'Ivoire

ALL DISTINGUISHED SPEAKERS AND MODERATORS

for their invaluable time and effort in providing a rich dialogue and for sharing their wealth of information for the benefit of the participants.

acknowledgement

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Kumpulan Guthrie Berhad

