

# 7<sup>th</sup> WIEF

ASTANA | KAZAKHSTAN

7-9 JUNE 2011

FORUM REPORT

## GLOBALISING GROWTH

CONNECT

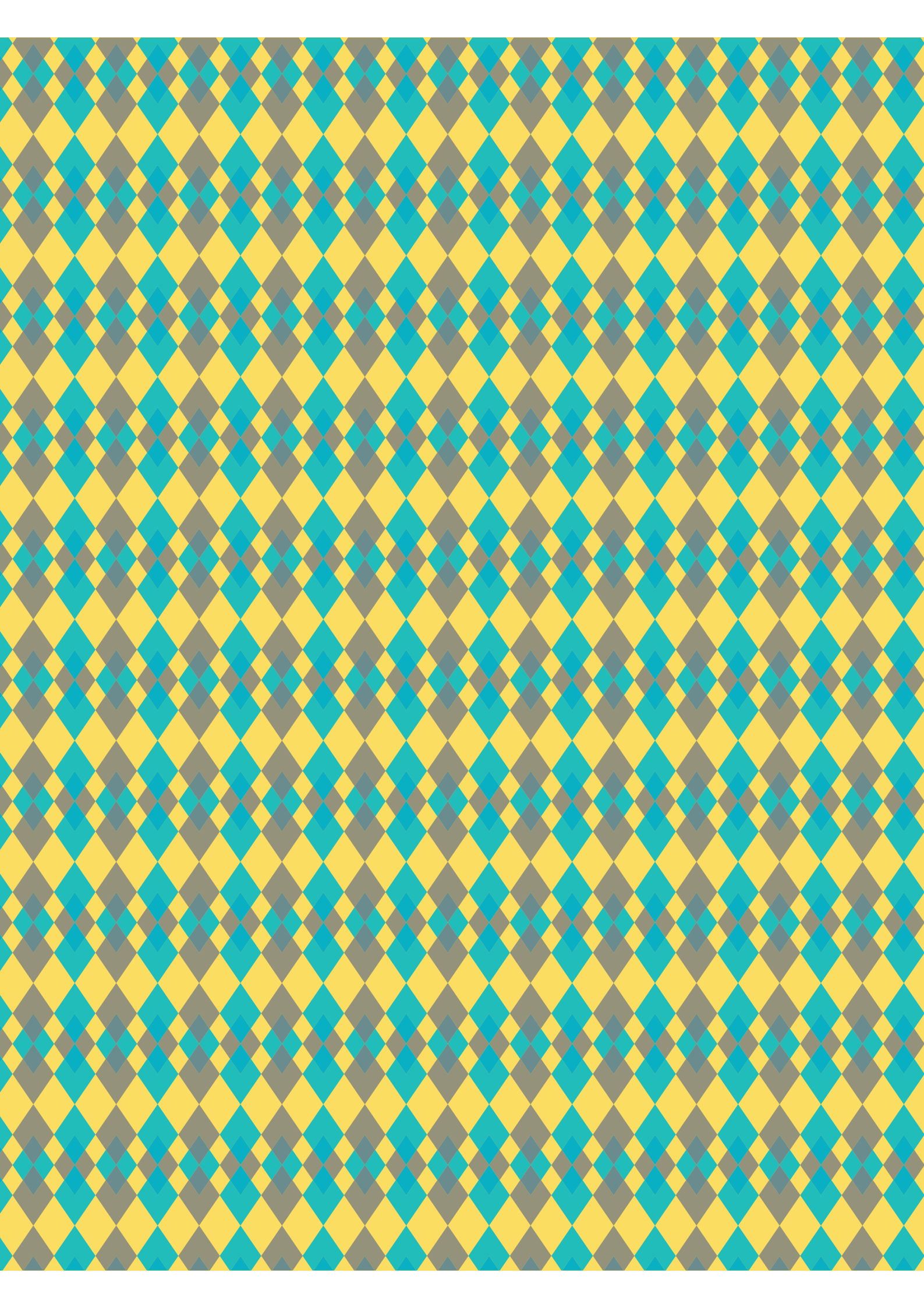


COMPETE



COLLABORATE





# 7<sup>th</sup> WIEF

ASTANA | KAZAKHSTAN  
7-9 JUNE 2011

GLOBALISING GROWTH  
CONNECT, COMPETE, COLLABORATE

The 7th WIEF was hosted by the Government of Kazakhstan, with the theme "Globalising Growth: Connect, Compete and Collaborate". The sessions focused on the prevailing need to engage the global community in the pursuit of economic growth. Discussions by various key-players and experts gave the delegates an unprecedented insight into vital industries and a clearer perspective on the current issues facing businesses across the globe, and Central Asia in particular. The Forum maintained its time-honoured tradition of promoting collaboration by building bridges through business.

The 7th WIEF was attended by more than 2500 participants from 60 countries across the globe.

Hosted by



Government of Kazakhstan










# TABLE OF CONTENTS

CHAIRMAN'S FOREWORD	7
PRE-FORUM	
Joint Opening Ceremony	10
WIEF BUSINESSWOMEN FORUM (WBN)	
Women and Business: Endurance and Perseverance	
Opening Session	15
Plenary 1: CEO Exchange – Growing Women Leadership: Lead, Influence and Change	18
Plenary 2: The Social Entrepreneur: Revolutionising Societal Change	24
Plenary 3: Marketing: An Essential of Business	28
Plenary 4: Financing Alternatives for Women Entrepreneurs: Is Venture Capital a Solution?	32
Plenary 5: Industries in Focus: Food, Tourism, Healthcare and Education	38
WIEF YOUNG LEADERS FORUM (WYN)	
Leadership in Motion: Leveraging Skills and Talent	
Opening Session	45
Plenary 1: Leadership in Motion: Anecdotes of Success	48
Plenary 2: Humanising Prosperity: Making Social Entrepreneurship Work	52
Plenary 3: Creating Change Through Arts: Images, Fables and Poetry	56
Plenary 4: Nurturing Glocal Champions: Building the Right Ecosystem	60
FORUM DAY 1	
Official Opening Ceremony	66
Plenary 1: Leadership Dialogue – Entrepreneurship as a Vehicle of Growth: A Roadmap to Success	76
Plenary 2: Islamic Banking and Finance in Emerging Markets: Seizing Opportunities, Overcoming Challenges	84
Special Forum on Countries in Focus: Investment Opportunities & Challenges	92
FORUM DAY 2	
Parallel Session 1: Deploying Innovative Technologies for Infinite Possibilities	108
Parallel Session 2: Infrastructure Development: Investing for the Future	114
Parallel Session 3: Innovating SMEs: Driving Future Growth	120





Parallel Session 4: Food Security: Balancing Trade and Social Needs	126
Parallel Session 5: World of Halal: Tapping the Potential of the Global Halal Ecosystem	134
Parallel Session 6: Harvesting Alternative Energy: Cleaner, Greener, Safer	140
Plenary 3: Islamic Banking and Finance: Raising the Bar	144
Plenary 4: Global CEO Panel – Innovative Leadership: Capitalising on Complexity	150
Concluding Session	156
Summary of Memorandums	160

### 3<sup>RD</sup> MARKETPLACE OF CREATIVE ARTS

Dialogue Session 1: The Art of the Tengri: Exploring the Culture of the Steppes	166
Dialogue Session 2: Silk Road Revisited: Connecting Cultures Through Arts	170
Dialogue Session 3: The Business of Art: Strengthening an Industry, Securing a Future	174
3 <sup>rd</sup> Marketplace of Creative Arts – Artists	178
3 <sup>rd</sup> Marketplace of Creative Arts – Programme	180

7 <sup>TH</sup> WIEF EXHIBITION	182
---------------------------------	-----

### PROGRAMMES

Pre-Forum Programme	188
Main Forum Programme	192

### GALLERIES & ACKNOWLEDGEMENTS

Acknowledgements	201
People and Colours of the Forum	202
Permanent Secretariat in Action	206
WIEF International Advisory Panel Meeting & Advisors	208
7 <sup>th</sup> WIEF Sponsors	210
7 <sup>th</sup> WIEF Partners	211
About WIEF Foundation	212



## CHAIRMAN'S FOREWORD



It gives me great pleasure to table the 7th WIEF Post Forum Report after a hugely successful 3-day event held in the beautiful city of Astana, Kazakhstan on 7-9 June, 2011.

The 7th WIEF Forum marked yet another milestone in the incremental progress and global significance of the Forum as leaders, role-players and participants congregate at the doorsteps of Central Asia to engage in rich and meaningful dialogues for mutual benefit. For the Government and people of the region, and Kazakhstan in particular, the theme, "Globalising Growth: Connect, Compete and Collaborate" added new relevance as they strive to be part of a larger social and economic order.

Attracting more than 2500 participants representing 60 countries from across the globe and focusing on several key issues including food security, Islamic Finance, Halal industry, SMEs, leadership and entrepreneurship, alternative energy, infrastructure industry, innovative technologies and those of special interest to businesswomen and young leaders, the Forum has once again contributed immeasurably to its avowed objective of promoting business collaboration. The various business agreements signed and recommendations made arising from the Forum have indeed become useful complements in providing substance to the constructive dialogues held.

It is my sincere hope that this 7th WIEF Post Forum Report 2011 would provide an interesting insight into discussions on the above issues whilst serving as useful materials for easy reference.

I wish to take this opportunity to place on record my special thanks and appreciation to the Government and people of Kazakhstan, in particular H.E. President Nursultan Nazarbayev, for the generous hospitality, support and cooperation in hosting the 7th WIEF. My deep gratitude also goes to all the leaders, role-players and participants for the substantive ideas presented during the Forum; members of the WIEF International Advisory Panel for their inputs in improving the conduct of the Forum; sponsors and partners for their generous contributions, and last but not least, the WIEF Secretariat for the sheer hard-work shown in ensuring the success of the Forum.

I look forward to receiving the continued support of all friends and participants of the Forum and to welcoming you once again to our next Forum in 2012.

Tun Musa Hitam  
Chairman  
WIEF Foundation









Pre-Forum  
7th June 2011



# Joint Opening Ceremony



H.E. ASET ISSEKESHEV, DEPUTY PRIME MINISTER OF KAZAKHSTAN & CHAIRMAN OF THE NATIONAL ORGANISING COMMITTEE FOR THE 7<sup>TH</sup> WIEF, warmly welcomed delegates to the 7th WIEF, inviting all those present to work with Kazakhstan as friends and partners in industrial development. H.E. Issekeshv hoped that there would be collaboration amongst the participants and an exchange of the East and West in the field of industrial development.

Kazakhstan is providing tremendous support for foreign investors and currently has more than 8000 companies working in Kazakhstan. The country has supported business and industrial development through the strengthening of legislation, especially in the field of Islamic Finance. Kazakhstan is gradually beginning

to open its economy and is at the stage of establishing a regional Islamic structure accompanied by Islamic services.

He highlighted that investors interested in the region would be pleased to note that Russia, Belarus and Kazakhstan have formed a union within which all custom barriers are to be removed. These three countries combined have a population of 270 million people, reflective of the size of the potential market readily available for foreign investors. Kazakhstan being in the centre of the region – between the East and the West – serves as an appropriate platform for investors.

H.E. Issekeshv ended his welcoming speech by expressing his hope that all Forum delegates would make full use of the platform to engage with each other through creative dialogue and discussion.



THE HON. TUN MUSA HITAM, CHAIRMAN OF THE WORLD ISLAMIC ECONOMIC FORUM FOUNDATION, expressed his thanks and congratulations to the Government and leaders of Kazakhstan for their hospitality in hosting the 7th WIEF. He thanked in particular the Deputy Prime Minister for sacrificing months in preparation for this occasion together with the WIEF Secretariat. He also congratulated the heads of the WIEF Businesswomen Network (WBN) and WIEF Young Leaders Network (WYN).

The uniqueness of the WIEF lies in its emphasis on the youth and women. The youth embody not only the vibrancy of a nation, but the future and hope of all countries. Women, on the other hand, embody the pillar of stability and sustainability; representing culture, identity and strength, which is crucial in sculpting and empowering future generations.

The WIEF not only provides a platform for women and the youth, but also delves into projects and capacity building programmes such as the WIEF Internship Programme, the Marketplace of Creative Arts and the Women Entrepreneurs' Workshop.



H.E. Aset Issekeshev, Deputy Prime Minister of Kazakhstan & Chairman of the National Organising Committee for the 7th WIEF.

The Hon. Tun Musa was quick to point out that the Marketplace of Creative Arts Series is his personal favourite programme under the WIEF, as it highlights artists around the world to uplift their profiles on the international stage. This is a rare event that mixes comedy, film, art, music and dance onto a common stage; it is an intense art experience that should not be missed.

On the entrepreneurial front, he shared that under the WIEF programmes, women entrepreneurs have been brought together from numerous countries, to be trained in the knowledge of entrepreneurship, basic management and business skills.

Finally, Tun Musa invited all countries present to empower women and the youth through knowledge – by opening their doors to the internship programme and other similar programmes. He also encouraged business people to connect and collaborate with each other within and beyond the Forum.

H.E. KARIM MASSIMOV, PRIME MINISTER OF KAZAKHSTAN, remarked that the WIEF is young but has already occupied a very significant space in the Islamic World. He reaffirmed the need to shape common responses, which is what the Forum aims for – to collaborate and communicate.

H.E. Massimov said that it was fitting that Kazakhstan is hosting the WIEF Young Leaders Forum, as it was a young country itself. Although there are many challenges to overcome, he expressed thanks to the Kazakhstan President's leadership; one of the key driving factors that has brought Kazakhstan to where it is today. He went on to elaborate upon the factors contributing to Kazakhstan's strength, namely a growing economy, rapidly improving living standards, and the ability to act as a bridge between the East and the West.

Initially after the break-up of the Soviet Union, whereby Kazakhstan and other Central Asian countries gained their independence, there were doubts as to whether Kazakhstan would flourish – especially with limited resources to improve the lives of its citizens. Nevertheless, the people of Kazakhstan were able to begin building a future for themselves and their families. As a result, Kazakhstan's Gross Domestic Product (GDP) now stands at more than USD 9,000 per capita, with a strong economy that is growing at 7% per annum.

H.E. Massimov stated a few statistical references to illustrate Kazakhstan's stable economy: for example, unemployment rates have halved and currently stand at a rate lower than that of the

## Pre-Forum: Joint Opening Ceremony



The keynote speakers for the Joint Opening Ceremony.

United States, Germany and France. The country is moving from a planned economy to one that is more market driven.

Kazakhstan has many young entrepreneurs, and H.E. Massimov further stressed that the state should do more to help small and medium enterprises (SMEs), thus ensuring that SMEs will eventually make up more than 40% of the economy. Young entrepreneurs are welcomed to continue diversifying Kazakhstan's economy. It is important for a country in the 21st century to be open to a variety of industries in order to attract

greater foreign direct investment (FDI), which would in turn boost the local economy. Kazakhstan's position on the Silk Road, has made it a meeting point of cultures, as it has always been home to ethnic diversity and tolerance.

H.E. Massimov stated that in a region of instability, Kazakhstan is seen as a model of stability and harmony. Whilst being proud of its Islamic traditions, the country welcomes those from other faiths and backgrounds, all of whom are free to practise their respective religions. He shared his hopes that both men and women would use their talents to achieve success. Women, for example, have already played a prominent role since Kazakhstan's independence, contributing 40% to the country's GDP and this continues to rise. Kazakhstan is ranked above Italy and France in the World Global Gender Gap Index and hopes to encourage more women involvement in politics, business and civil society.

H.E. Massimov ended his keynote address by stating that **regardless of nationality, race or religion, it is important to focus on our similarities rather than our differences. Only then would a greater understanding be fostered to unite people by focusing on a common humanity and shared values, to build stronger economies and a better world.**



The Hon. Tun Musa Hitam, Chairman of the World Islamic Economic Forum Foundation.





Pre-Forum

# WIEF Businesswomen Forum

Women and Business: Endurance and Perseverance



# WIEF Businesswomen Forum Opening Session



Dato' Dr Norraesah Mohamad, Chairman of WIEF Businesswomen Network (WBN) & Chairman of MyEG Services Bhd, Malaysia.

## DATO' DR NORRAESAH MOHAMAD, CHAIRMAN OF WIEF BUSINESSWOMEN NETWORK (WBN) & CHAIRMAN OF MYEG SERVICES BHD, MALAYSIA,

extended a warm welcome to the delegates of the WIEF and to Astana, where she commended the beautiful weather and Kazakhstan's kind hospitality. She applauded her colleague Mrs Raushan Sarsembayeva for being able to assemble 380 women from 40 regions within Kazakhstan to the WIEF. She put forth that the main goal of the Forum is to congregate with other businesswomen, exchange opinions, discuss problems, and to network and collaborate.

She presented a brief overview of the WIEF Businesswomen Network (WBN) as an important arm of the WIEF, acknowledging that women are powerful human capital contributors to a country's development and growth. This is all the more important as the world emerges into a knowledge-based economy, where sustainable growth is driven by technology and innovation.

She remarked that the core focus of the WIEF is to promote trade and investment among business people and entrepreneurs from participating Muslim countries through an effective network of business relations and collaborations. The WBN provides a platform for women to bond, share experiences and discuss common problems.

She pointed out that **entrepreneurship is a marathon race in which year upon year, attempts are made to promote and overcome prevalent fears among women who are afraid to attain what men can and currently dominate.**

The theme of the Forum, 'Women and Business: Endurance and Perseverance', is appropriate as women will always strive to endure a tough marathon to emerge as successful businesswomen and entrepreneurs.

She remarked that the contribution of businesswomen to the internet is significant, as they form the majority of social networkers and online buyers. Although the situation for women has improved, challenges such as the employment gender gap and income gap still exist. On average, women constitute 13% of the world parliamentarians, but only form a small percentage of board membership and top corporate positions. Women have yet to be completely integrated with the financial and capital markets; in addition, the venture capital market remains largely male dominated.

Dato' Dr Norraesah outlined two ways to overcome difficulties, namely to alter and combat the difficulties themselves or change



Ms Raushan Sarsembayeva, President, Association of Businesswomen of Kazakhstan.

oneself to conquer those difficulties. The roles of WBN can be described at two levels, namely at the forum and institutional levels. At the forum level, WBN's objective is to provide an ultimate networking event where "Contact leads to contract gain". Here, they allocate a platform for effective networking, gather role players as successful entrepreneurs, professionals and management experts and discuss issues covered to inspire women to discuss solutions.

At the institutional level, for example at the Women Entrepreneur Workshop, WBN aims to organise practical interactive workshops for start-ups. For example, two workshops have been held over the last two years that were attended by 60 entrepreneurs from 18 different countries. The success of the

workshops was apparent because of the ongoing requests for participation in future sessions. She hopes to take the programmes to the regional level, thus enabling the workshop to be held twice a year.

She then introduced new initiatives through a WBN Web-Reach Internet Marketing Workshop, which is an intensive 5-day marketing workshop that targets a big market of women. She further stated that WBN is aimed at helping businesswomen and entrepreneurs to become successful by providing a ladder for them to climb step-by-step instead of taking giant leaps. She also indicated that WBN aspires to start specific industry training programmes, such as the agriculture and food industries for the youth, single mothers and the physically challenged in both urban and rural areas.

Dato' Dr Norraesah concluded with a remark that the Forum is a precious opportunity for individuals and businesses to network. She advised the participants to take the time to discuss, share experiences, seek advice and help one another.

### MS RAUSHAN SARSEMBAYEVA, PRESIDENT, ASSOCIATION OF BUSINESSWOMEN OF KAZAKHSTAN,

indicated that through the ages, women have played an immense role in houses as hosts, but currently, this has changed. She noted that the world today is in need of gender harmonisation of the human race. She emphasised on the need to strengthen key achievements of modern Kazakhstan where the quality of life within the community has improved. She indicated that Kazakhstan has formed its own model that depicts a clear understanding of the importance of women capital in developing a country.

She remarked that the government is prepared to take measures to involve more women in decision-making activities with the aim of placing them in leadership positions, where currently women make up only 10% of such positions. She indicated that the contribution made by women towards the national Gross Domestic Product (GDP) has increased to 39%. She proposed the establishment of a separate micro financing programme for women in rural areas, which will be done through the active support of the government and women in Kazakhstan.

Raushan concluded by mentioning that the programme would promote tolerance and strengthen gender policy and it is her view that Kazakhstan would surely advance when both men and women are able to progress together.







# WIEF Businesswomen Forum

## Plenary 1:

CEO Exchange – Growing Women Leadership:  
Lead, Influence and Change



DATO' DR NORRAESAH MOHAMAD, CHAIRMAN, WIEF BUSINESSWOMEN NETWORK (WBN) & CHAIRMAN OF MYEG SERVICES BHD, MALAYSIA, moderated the session.

H.E. GULSHARA NAUSHAYEVNA ABDYKALYKOVA, MINISTER OF LABOUR AND SOCIAL PROTECTION & CHAIRMAN OF NATIONAL COMMISSION FOR WOMEN AFFAIRS, FAMILY AND DEMOGRAPHIC POLICY, KAZAKHSTAN began by citing the relevant facts and

figures on Kazakhstan; for instance women make up 52% of the country's population, which now stands at 16.4 million. Kazakhstan's advisory body, the Commission of Women and Family Matters is committed to the development of economic, cultural, social and political potencies.

Her Excellency indicated that the Commission has been in existence since 1999, during which the country was in crisis with back payments and social allowances issues. Businesses and civil societies, including many Non-Governmental Organisations (NGOs) – created to deal with women and geographical matters – were just beginning to be developed in the country. In response to this, the Commission was designed to gather

## CEO Exchange – Growing Women Leadership: Lead, Influence and Change

women who possess the potential to contribute within the business, political, social and cultural circles.

H.E. Gulshara declared that the Commission's inception gave way to many initiatives including the Gender Equality Strategy which was to promote gender equality and empower women. It was particularly relevant through difficult times during the post-Independence era as it was the women of Kazakhstan who were the ones that supported their families, began entrepreneurship endeavours and ventured into businesses.

The microcredit programme was introduced in Kazakhstan and the loan size was first set at USD 400. Currently, the annual microcredit programme is worth KZT 2 billion, compared with KZT 150 million that was provided to women two years ago. This reflects the significant growth in female economic empowerment.

Today, Kazakh women contribute up to 40% of Gross Domestic Product (GDP). The Commission is currently initiating an employment programme for women who have stood up in helping others. Gulshan went on to highlight several important pillars of the employment programme.

The first pillar is a microcredit programme which has an allocation of up to USD 20,000 per disbursement. This would enable women especially those in rural areas, small towns and regions to start up their businesses for broad benefit. To address this, the country has allocated more than KZT 3 billion. The Commission has started to use the international experience of Grameen Bank of Bangladesh, where groups of women unite and participate in businesses. In addition, legislation is under way for implementation and preparatory work has been initiated to reflect state support.

The second pillar consists of active involvement in politics, where support will be given to female politicians. Today, only about 10% of decision makers are women; the Commission aims to achieve at least 30% of women representation in parliament.

Her Excellency proposed that for women to be promoted in the political arena, training must be conducted on a continuous basis. The country has established women political leadership programmes as an attempt to address the matter. She then

stated that 61 NGOs are now training women in women leadership schools to promote the economy and contribute to the political cause. Summer leadership training programmes for women arranged by the Pavlodar province, for instance, stimulate women leadership.

The third and final pillar is women's involvement in education and health. New initiatives are projected to address problems in healthcare and education, including prevailing problems with infant, child and maternal mortality.

H.E. Gulshara concluded that women in Kazakhstan are generally quite active and are shielded from discrimination. Her Excellency advised that it is vital to work on the standards and indicators set, to eventually realise gender equality.

THE HON. SENATOR SHAHRIZAT ABDUL JALIL, MINISTER OF WOMEN, FAMILY AND COMMUNITY DEVELOPMENT, MALAYSIA,

expressed her admiration of the country's beauty and people.



The Hon. Senator Shahrizat Abdul Jalil, Minister of Women, Family and Community Development, Malaysia.

## Pre-Forum: Businesswomen Forum: Plenary 1

She congratulated the WIEF for successfully organising such a glorious event.

She acknowledged the contribution of Kazakh women in the nation's progress and development. She said Malaysia supports Kazakhstan in its development, and has seen that Kazakhstan has a great potential to be the Euro-Asian centre of the world. The Minister reiterated the President of Kazakhstan's point that women in Kazakhstan hold positions in both politics and business and play a significant contributing role towards nation building. **Both men and women are partners working alongside one another, thus, any government that ignores the contribution of women will be left behind.**

Senator Shahrizat spoke of the vital role she undertakes in the Malaysian Government to put in place a roadmap for Malaysian women. Malaysia and Kazakhstan share many similarities as progressive and dynamic countries, with Islam as the official religion, and both having stable governments that allow harmonious living. Both countries earned independence not through bloodshed but through the combined efforts of both men and women. The Malaysian Ministry of Women, Family and Community Development attempts to look after issues of women and family, and addresses new challenges facing women in this century.

To cater to the 14 million Malaysian women out of Malaysia's population of 28 million, the Ministry oversees the laws and policies related to gender in the country. The Minister acknowledged her ministry's role in making amendments to the constitution by the Cabinet, and recommending laws that ensure no discrimination based on gender. Highlighting the emphasis of Islam, she spoke about the contribution of Prophet Muhammad's wife being his friend and partner in business.

She remarked that **although the government is responsible to lay out the roadmap for women and plan for their future progress, women actually play a vital role in determining their own successes in life.**

Women form half the Malaysian population, hence investing in women is 'smart economics'. She elaborated on the Malaysian Government's transformation programmes that emphasise

economic and governmental transformation. Encouragement is provided to engage women in business ventures locally and abroad. She expressed her hope that the Malaysian delegation to Kazakhstan, led by the Prime Minister of Malaysia, would unite the two nations, as this would surely benefit women in some ways.

Senator Shahrizat advised her female audience to enjoy being women, to never give up, have a plan and support the government. She noted that a stable government would allow women to flourish in business ventures. Women should hold equal responsibilities in taking care of their respective countries, and should therefore marry men who would empower them. Finally, Senator Shahrizat extended an invitation to the audience to visit Malaysia for business and trade, as well as to strengthen the friendship and relationship in this global world.

**DR MARTHA TILAAAR, FOUNDER AND CHAIR, MARTHA TILAAAR GROUP OF COMPANIES, INDONESIA**, presented the model of women entrepreneur leadership based upon her professional experience of more than 40 years. She began by narrating her experience of starting a small salon in her parents' garage with one assistant, which then grew to become a cosmetic manufacturer company with 4000 employees, 70% of whom are women. Today, the Group is a market leader in the cosmetic industry in Indonesia, with a huge potential market of 120 million women from the country's population of 240 million. The leadership model she proposed consists of three leadership styles fundamental for future women leaders.

First, is the feminine leadership style, aimed at leveraging on the unique advantages of women. There are six leadership principles under this style, namely:

1. Listen to followers with a deep heart by nurturing an emotional connection with them
2. Be emphatic by leading with care, compassion and love
3. Be passionate about the business, keeping the aim in mind
4. Follow and trust one's own instinct and make wise decisions
5. Win commitment and trust from followers by setting an example of excellence
6. Build value by creating a relationship with one's followers, ideally collaborating





Dr Martha Tilaar, Founder and Chair, Martha Tilaar Group of Companies, Indonesia.

Second, is the entrepreneurial leadership style, aimed at creating business value by inspiring followers to have a shared vision and purpose. The principles under this style include:

- Sense every opportunity in the market
- Regularly meeting customers to further understand their needs
- Translate the understanding of customers' needs into ideas and eventually execute them
- Build on courage to take on risks in challenges that emerge

Third, is to change leadership style, aimed at accomplishing organisational change and transformation. Four strategic roles that women leaders must play under this style are:

1. The urgency builder, who must create a sense of urgency and pride among followers to change
2. The visionary, who must provide strategic direction through clear vision and shared purpose
3. The communicator, who must communicate the vision to mobilise followers for transformation
4. The passionate learner, who must learn to make continuous improvements along the journey

She then indicated that the Martha Tilaar Group follows a set of principles built on a unique business model to turn it into the Group's competitive advantage. The company's nature is based on the 'East meets West' approach – it combines Western technology and expertise with Eastern cultural and natural resources.

To conclude, Dr Martha said she believes that every woman leader can achieve success in every phase of challenges by applying the elements in the three aforementioned leadership styles.

MRS SALUKAZI DAKILE-HLONGWANE, EXECUTIVE-DEPUTY CHAIRPERSON, NOZALA INVESTMENTS (PROPRIETARY) LIMITED, SOUTH AFRICA, pointed out that the leadership experiences of South African women are intertwined with their political struggle. She acknowledged the important role of women leadership in overcoming social and economic oppression. Since the 19th century, women in South Africa have primarily emerged as catalysts of protests and challengers of the Apartheid regime. For instance, in 1956, approximately 20,000 South African women marched against oppressive laws. This signified the beginnings of women's resilience, courage and strength to survive, lead and become the best they can be.

Currently in South Africa, women comprise 51% of the nation's population, and 42.2% of the labour force. South African business women currently hold 27% of senior management positions, beating the global average of 20%. Women make up 44.5% of Parliament in South Africa, which is the 4th highest in the world in terms of women Parliamentarians in a country. Nevertheless, Salukazi expressed her disappointment on the fact that despite these leadership statistics, only 3% of companies surveyed recently in March 2011 have female chief executive officers (CEOs), as compared to the global figure of 8%. In relation to the statistics, she brought forth concerns of South African women pertaining to the current leadership structure. She hoped that there would be ways to stimulate understanding on changes required to influence the economic, social and political environments towards a better world.

## Pre-Forum: Businesswomen Forum: Plenary 1

In 1996, political leadership led to women marching against the political Apartheid system. In this regard, a group of women came together and decided to form Nozala, in order to gain economic control and recognition of activities in the country. The company was later supported by a march of half a million women who were shareholders of Nozala, to gain listing in the Johannesburg Stock Exchange.

Nozala is an investment company formed by half a million women across all economic levels and boundaries of social class with various activities that provide funding for women to start-up their own businesses. It currently supports and develops over 25 women entrepreneurs, owns assets with high net values, and invests in big South African companies like Sasol Oil and Exxaro. The establishments of Nozala Coal and Nozala Diamonds are motivated by a series of investments and this has been an encouragement for women to work, grow, and succeed together.

To conclude, Salukazi encouraged certain essential elements for effective leadership, namely:

- An enabling environment by the government that invariably supports the position and involvement of women in the forefront of various sectors.
- Providing leadership advice to young women who are indeed the future of women leadership.
- The development of skills through education, coaching and providing easy access to an archive of knowledge.
- An array of relevant information, new technology as well as extension of existing ones to create new opportunities.
- The innovation of new ideas that would challenge the status quo as key to obtain sustainable livelihoods in the long run.



(From L to R) H.E. Gulshara Naushayevna Abdykalykova, Dr Martha Tilaar, Dato' Dr Norraesah Mohamad, The Hon. Senator Shahrizat Abdul Jalil, Mrs Salukazi Dakile-Hlongwane, Ms Raushan Sarsembayeva

# 7<sup>th</sup> WIEF

WIEF ІСКЕР ӘЙЕЛДЕР ФОРУМЫ  
WIEF ФОРУМ ДЕЛОВЫХ ЖЕНЩИ  
WIEF BUSINESSWOMEN FORUM

АСТАНА, ҚАЗАҚСТАН  
7 МАУСЫМ 2011



WIEF  
FOUNDATION



Dr. Marina Titov

WIEF



Ms. Gulnara  
Jaisaykum



WIEF  
FOUNDATION



# WIEF Businesswomen Forum Plenary 2:

## The Social Entrepreneur: Revolutionising Societal Change



(From L to R) Mr Zoran Puljic, Datin Paduka Siti Sa'diah Sheikh Bakir, Ms Asel Karaulova, Mr Anshu Gupta, Ms Alua Rudar.

MS ASEL KARAULOVA, DIRECTOR, KAZAKHSTAN PRESS CLUB, moderated this session.

DATIN PADUKA SITI SA'DIAH SHEIKH BAKIR, MANAGING DIRECTOR, KPJ HEALTHCARE BERHAD, MALAYSIA, began by sharing her 30 years of involvement and experience in KPJ – serving as the company's CEO when it was first a private entity and then continuing as the Managing Director when the company was publicly listed in 1994.

KPJ is involved in the business of private hospitals; they have more than 20 hospitals throughout Malaysia and several in Indonesia. It currently has between 700–800 specialist doctors and more than 8,000 staff. It also provides consultancy to others who want to set up private hospitals; KPJ has worked with those from Saudi Arabia and Bangladesh. Currently, KPJ has a market capitalisation of more than RM 2.4 billion (USD 800 million).

When it first started in 1981, the company ran a typical hospital business, but later realised this was not the way



Datin Paduka Siti Sa'diah Sheikh Bakir, Managing Director, KPJ Healthcare Berhad, Malaysia.

to go if KPJ wanted to move forward. KPJ decided that it would have to work alongside society as much as possible for this purpose. Datin Paduka Siti Sa'diah defined social entrepreneurs as 'individuals' whether they are the real entrepreneurs or just staff in the organisation, as long as they solve pressing social problems through innovative and sustainable solutions.

When running a healthcare business, there are many support services involved, therefore the organisation's main team would need 'champions' to assist them. To do this, several methods are to be employed, for instance to empower champions through business by allowing them certain provisions in equity, and to lead and run businesses – this would not only allow the company to convert cost centres to profitable ones, but also allow champions to run and help other entrepreneurs to grow.

It is important to allow education involvement and to empower the management of knowledge and skills. For example, KPJ has a woman running as Chairman of the nursing college, which will soon be promoted to university status, and has trained more

than 3,000 nurses to either run their own nursing care centres or provide services to hospitals. She stated that KPJ has private clinics and dialysis centres run by doctors who were trained by KPJ in its social entrepreneurship training programme. Currently, KPJ has about 15 clinics nationwide catering to about 600,000 of the needy and poor.

On a final note, Datin Paduka Siti Sa'diah mentioned that KPJ, as a concerned employer, always wants to do more for society especially for women who aspire to grow with KPJ and help society at large.

MR ZORAN PULJIC, DIRECTOR, MOZAIK FOUNDATION, BOSNIA AND HERZEGOVINA, pointed out that when Mozaik Foundation was established in 2001, it tried to learn from the Western world the ways of how foundations should run. Mozaik initially learned that to achieve sustainability, a foundation must work with the government and external donors who may be in the form of individuals as well as institutions, both local and foreign.

Mozaik is the leading organisation in mobilising local resources and credit partnerships in the entire region of ex-Yugoslavia.

Mozaik has recently realised that implementing the Western model had not really helped in allowing the Foundation to be independent and financially sustainable in the long term – due to events such as a change in government, international donors moving away, and businesses having different priorities from one year to another. Thus, the Foundation decided that in order to be able to maintain its mission, it must utilise the competitive skills they have learned in the last ten years that can be used for the market and to create its own businesses.

The Foundation reversed the logic when deciding on what business to create. Instead of starting in the most developed areas of the country – that has good infrastructure and skilled labour supply; the Foundation went to the most rural parts of the country, where the unemployment rate is close to 70%, which is mainly made up of women. He said the Foundation then tried to understand the location's particular competitive advantage and how the Foundation would be able to build a global business from the middle of nowhere. After much thought, the Foundation decided that it would venture into a

## Pre-Forum: Businesswomen Forum: Plenary 2

business with three different production lines – namely organic beekeeping, greenhouse production and lavender production.

Zoran emphasised that during the setting up of such a company and in addressing the related community problems, it was imperative to be politically correct when explaining the company's mission. For instance, the Foundation tried not to be viewed as a pro-women entity, and tried to communicate that it is only interested in hiring the most skilful individuals within the municipalities. He said by doing this, the Foundation has allowed itself to help the hired women earn an extra income without putting them in a difficult position of having to justify their hiring. Currently, the business project, EkoMozaik, is the leading organic honey producer in Bosnia, employing about 85 women and is led by a female CEO.

On a final note, Zoran said **women are an untapped potential in Bosnia and can play a big role in both contributing to the GDP and acting as the catalyst for reconciliation among citizens of post-war Bosnia.**



Mr Zoran Puljic, Director, Mozaik Foundation, Bosnia and Herzegovina.

**MR ANSHU GUPTA, FOUNDER & CEO, GOONJ, INDIA**, introduced Goonj as an entity working on the basic issue of clothing, a mundane subject that is taken for granted. He noted that when naming the basic needs of a human, one would normally say food, clothing and shelter, but when we look into the list of issues that need solutions and development, clothing is rarely mentioned. **Unfortunately, clothing has become a disaster relief material – people will only start to think about it when disasters happen.**

Goonj also deals with the issue of sanitary pads for women, which is an unpopular subject. He said it was difficult to imagine how women in the poorest surroundings, who do not have enough clothes to even cover themselves, have a piece of cloth for their menstruation. In 2004, the organisation began researching by travelling across the country and talking to others from various countries. This led to a number of discoveries, for instance some women use the dirtiest pieces of cloth as their sanitary pads due to a lack of awareness about the health risks involved and scarcity of spare cloth. For instance, if there are two to three women in the family, and they each have different cycles, the piece of cloth would be shared. Millions of poor women across the globe are actually using sand, ash, chute and just about anything that they understand can be used as a sanitary pad.

In 2007, Goonj won an award from the World Bank on addressing this particular issue; they mentioned that half of women's health related issues would not have even surfaced if the issue of women sanitary napkins was properly addressed. Anshu then mentioned a number of cases involving usage of improper sanitary napkins, such as in a village in which a large number of women aged 18 to 40 have had their uterus removed to avoid cervical cancer. Goonj worked on this issue and has developed a social enterprise that now produces about 200,000 sanitary pads every month.

Goonj, he said, is also trying to reuse old materials from just about anything such as clothes, utensils and footwear, and using them as development resources for people in the villages to do work such as developing bridges, repairing roads and digging wells. Thus, instead of receiving money for their work, the villagers receive these old materials with dignity.





Mr Anshu Gupta, Founder & CEO, Goonj, India.

MS ALUA RUDAR, EDITOR-IN-CHIEF OF "BUSINESSWOMEN.KZ" MAGAZINE, KAZAKHSTAN, highlighted on social entrepreneurship in Kazakhstan and its development. Presently, it involves not only charities but also small and medium enterprises (SMEs), student organisations and community organisations.

Students in Free Enterprise (SIFE) is a student organisation involved in social entrepreneurship. Alua informed delegates that the students from the University of International Business (UIB) was recently named SIFE Kazakhstan National Champion 2011, and the students have created an employment centre which has helped train and find jobs for 35 unemployed individuals.

She introduced the Association of Businesswomen of Kazakhstan (ABK) whose main programme is involved in training and retraining unemployed women in professions most needed

in the market. This programme is active in Almaty and Astana and for more than seven years, it has trained about 1100 women, and 80% of them have managed to secure employment while another 10% have started their own businesses.

Alua then mentioned several of the businesses created by these trained women: social stores selling clothes in city areas which has also allowed the needy to get some needed clothes for free; hair salons that also give weekly free services to retirees; an employment agency that gives free services to women aged 50 and above. Schools in a couple of cities are educating rural people on healthy lifestyles, as well as providing free Kazakh and English language courses to disabled women and children.

Finally, Alua said **social entrepreneurship activities are very much alive in Kazakhstan with women being the backbone of it, as women consider it not only for economic gains but also as a chance to help others.**

She suggested that in order to help drive this trend, the country needs more women involved in political decision-making.



Ms Alua Rudar, Editor-In-Chief Of "Businesswomen.Kz" Magazine, Kazakhstan

# WIEF Businesswomen Forum

## Plenary 3:

### Marketing: An Essential of Business



(From L to R) Dato' Tom Abang Saufi, Director & Chief Designer, Ethnicite Sdb Bhd, Malaysia; and Mrs Rokia Afzal Rahman, Chair, Midas Financing Ltd. & President, Bangladesh Federation of Women Entrepreneurs.

MRS ROKIA AFZAL RAHMAN, CHAIR, MIDAS FINANCING LTD. & PRESIDENT, BANGLADESH FEDERATION OF WOMEN ENTREPRENEURS, was the moderator of the session. She presented a brief overview and highlighted the importance of marketing: to build customer relationships; create product awareness; gain customers for revenues and growth; and stimulate a company's growth through increased sales, new opportunities, improved market share and steady revenue flows.

She then indicated that an [effective marketing plan includes understanding the market, developing a marketing strategy to create objectives and finally producing a realistic marketing plan.](#)

DATO' TOM ABANG SAUFI, DIRECTOR & CHIEF DESIGNER, ETHNICITE SDN BHD, MALAYSIA, highlighted the importance of marketing to complement her profession in the fashion industry. She shared her experience in initiating a marketing platform for the Tom Abang Saufi (TAS) brand by wearing her own clothes, which gained the interest of her friends. This acted as a trigger for her to attend a fashion design course to kick-start a career in fashion.

She indicated that the brand name "Tom Abang Saufi (TAS)" is itself a marketing tool, occupying a niche market. She emphasised several pointers that contributed to effective marketing: to create products that customers want and aspire to have; physically place and present products in front of the correct audience; utilising public relations as a tool to engage

powerful social media such as Twitter, Facebook and picture messaging and also building strong partnerships and loyalty among clients.

Dato' Tom Abang Saufi elaborated that TAS is a brand that enables people to understand heritage through its usage of weaving produced by the country to create clothes that fit all sizes. As the brand influences lifestyles, it has developed and evolved into three different categories, first, the Tom Abang Saufi brand, for people to easily wear heritage based products and travel well with it; second, the casual wear brand, for easy resort wear that is silk weaved and hand painted on Malaysian batik. And finally, the TAS Iman brand, created based on 3'Cs: "Chic, Comfort and Contemporary" for Islamic-compliant clothes with user-friendly designs that are trendy and easy to wear.

She then outlined the steps to create an organic marketing plan: first, to listen to the marketplace to discover what women want in order to look good; second, to design convenient products made of quality fabric. Third, to engage in partnerships with renowned brands and socialites to cover and gain global publicity; and finally to produce universal clothing designs to fit women of all races and ages. She concluded by emphasising the importance of working with young people who are internet savvy, as she encourages the establishment of online shops to sell not only the brand, but also confidence and lifestyle.

### MS OWEK. HAJAT REHMAH KASULE, MANAGING DIRECTOR, CENTURY MARKETING, UGANDA,

started her own company with no experience or money and has managed to run it for over fourteen years. Despite numerous challenges, she has helped to enable other women to conduct their businesses. She believed that as entrepreneurs, women face three main challenges, namely the lack of knowledge to define one's own business, where operational knowledge was not accompanied by communicative knowledge. Women also lack the strategic approach; the strategic thinking of their business is not on a global scale; and finally the lack of confidence, where their good ideas did not have good execution methods.

There is a need for strategic development, she highlighted that one must plan a business starting with an idea, consider what products and wants are in existence in the market, and derive ways of providing them better. She urged that creative innovation is necessary to emerge successful. She also remarked on the importance of details for success, and

advised the audience to know their products, sources, target market and customers' needs. In this regard, determination and independence to succeed are vital.

She indicated that **customers today are becoming more sophisticated and demanding, as they know what they want and have wide access to information.**

Moreover, customers have the potential to opt for another seller if they are not well catered to. Thus, knowing their own business to best meet customers' requirements is vital to preserve customer retention and loyalty. She encouraged women to construct a distribution plan, and emphasised on quality management to ensure quality sales.

She further revealed branding as the main plan for effective marketing. This includes product labelling, brand positioning, and recognition on a global scale to develop market confidence. She said that one must "brand your company, products and services to know your product and your market."

She identified the main challenge facing women entrepreneurs is the lack of funds to market. She recommended social



Ms Owek. Hajat Rehmah Kasule, Managing Director, Century Marketing, Uganda.



## Pre-Forum: Businesswomen Forum: Plenary 3

networking as a solution to this, placing immediate neighbours as a target market and installing immediate distribution channels to reduce marketing costs. Customer care is a priority for effective marketing.

Owek Hajat Rehman concluded with a series of marketing tips, namely the importance of believing in ourselves, believing in our ideas and holding tightly onto them, taking advantage of information and leaving a legacy and documenting whatever we do.

MS AIDA DOSSAYEVA, DIRECTOR OF CORPORATE COMMUNICATION, GSM KAZAKHSTAN / KCELL, began by stressing the importance of social media and talked about the various ways to use social media as a marketing tool for daily operations in Kazakhstan. She pointed out that since 2009, an annual trend report is conducted in an attempt to understand customers' preferences, needs and wants. The latest conducted research surveyed more than 1000 Kcell subscribers and 500 corporate clients, consisting of 51% men and 49% women.

She then presented on the summary of the survey outcome on:

1. Clients' regularity over internet visits and their usage of products and services
  - 56% searches feedback from other people about products and services
  - 55% can pay for the products
  - 27% writes feedbacks about products and services
  - 25% answers questions of clients about products and services
2. Customers' preferred ways to communicate with the company
  - 22% visits company blogs regularly
  - 11% sends SMSs
  - 14% visits social networks and leave their comments
  - 70% chats regularly and visits forums and leave comments

Aida remarked on how the company represents almost all social networks and has more visitors through social networks than any other company in Kazakhstan. She commended the presentation made by the honourable Senator from Malaysia, Dato' Shahrizat,



Ms Aida Dossayeva, Director of Corporate Communication, GSM Kazakhstan / Kcell.

who spoke about the customers and clients in Malaysia, Aida was impressed by the conditions set up for SMEs. She concluded that Kazakhstan and Malaysia currently have so much in common, including marketing tools and supportive measures for women, customers and entrepreneurs.

DR AMANY ASFOUR, PRESIDENT, EGYPTIAN BUSINESSWOMEN ASSOCIATION, acknowledged that marketing is an art and if one knows how to master it, success is guaranteed. It begins as an idea in one's head but the challenge is to convince others of the idea and translate it into reality.

She highlighted a few goals set by the United Nations in 2000, which formed the foundation of her presentation; these goals are the eradication of poverty and hunger and the empowerment of women through marketing.

Eradication of poverty and hunger is impossible except through wealth creation based on the empowerment of the private

sector and SMEs through marketing. She related her remark to the uprising in Egypt, where there was no social justice, equitable wealth distribution and economic growth – this highly affected women. She noted that social media (marketing) was the real promoter and driver for the uprising. Social justice is a marketable tool to create wealth amongst the masses.

The goal of empowering women through marketing requires real power, which is about potency, the capacity to act, and to implement. She explained that **if an idea is not accompanied by the ability to sell the product, failure is inevitable.**

Thus, the real power of marketing complements the prevailing idea with the capacity to persuade buyers to buy the product. She then shared real marketing challenges for micro, small and medium enterprises: the lack of information, technical skills, marketing strategy, lobbying and advocacy of marketing tools for women, and also the reality of intensive competition.

As an entrepreneur, Dr Amany started her company when she was in her third year of medical school. She had a dream of having a big company, and to realise it, she needed big companies' support and sponsorship; the need to market must be accompanied by key players. She highlighted the three factors or marketing pillars

required to evaluate the success of a marketing strategy. First, empowerment of personality to market oneself; one has to have access to information in the market and present ideas in order to market oneself. Self-confidence, good education and training are vital to develop skills when dealing with clients.

Second, appropriate policies and procedures must be advocated to empower SMEs. As small entrepreneurs, the aim to succeed must be aligned with the laws for lobbying and advocacy. The ability to get women into big tenders and projects is the result of an effective marketing strategy. Finally, it is important to know the products and ways to market them in order to have an effective marketing outcome.

In summary, she emphasised the importance of building entrepreneurial capacity; developing marketing tools; and advocating marketing. She then concluded by stating that her institution offers training for business plan development, the marketplace, and the business incubator to provide useful marketing tools. The three target groups that are catered to are: start-up businesses, SMEs (by providing them expertise), and exporters (by providing them access to the global market). Her organisational aim is to achieve economic empowerment through marketing under the slogan of 'Achieve financial independence: to have the power of choice and voice.'



(From L to R) Dato' Tom Abang Saufi, Ms Aida Dossayeva, Mrs Rokia Afzal Rahman, Ms Owek, Hajat Rehman Kasule, Dr Amany Asfour.

# WIEF Businesswomen Forum

## Plenary 4:

### Financing Alternatives for Women Entrepreneurs: Is Venture Capital a Solution?



The moderator TAN SRI (DR) RAFIAH SALIM, DIRECTOR, NAM INSTITUTE FOR THE EMPOWERMENT OF WOMEN, MALAYSIA, began the session by highlighting the fact that funding for business ventures is the main problem facing women entrepreneurs. Start-up businesses face difficulties at the forefront as they are unable to provide performance track records to fulfil a banking loan application requirement. Under such circumstances, she posed the question to the panel asking where can entrepreneurs with good ideas and market opportunities obtain funds?

MS UMIT SHAYAKHMETOVA, CHAIRPERSON OF THE MANAGEMENT BOARD, HALYK BANK, KAZAKHSTAN, stated that venture financing is a tool that is

being used to diversify the economy of Kazakhstan. Shifts in the economy invariably contribute to the development of science and innovation, which then determines the growth of venture financing. In 2010, the country started a comprehensive entrepreneurship development programme aimed to meet the following objectives:

1. To ensure a sustainable development of entrepreneurship in non-extractive sectors of the economy
2. To develop women entrepreneurship (where currently the total financing of about USD 14 million has been provided for this cause)
3. To establish an efficient system of venture financing to successfully convert scientific research into commercially attractive developments.





Ms Umit Shayakhmetova, Chairperson of the Management Board, Halyk Bank, Kazakhstan.

One method of venture financing is to acquire the shares of a newly established company through revenue growth. She indicated that start-up companies bear big risks, making it impossible for banks to provide financing. Thus, to develop SMEs and to diversify the country's economy, venture entrepreneurship is of great importance. The national policy on entrepreneurship outlines the goal of increasing SME involvement to make up one-third of the country's GDP. She reported that 25% of the active population is currently involved in SMEs, out of which 40% operate within major cities.

Umit highlighted that entrepreneurship must be developed to address gender issues. Based on the research by the National Commission for Women Affairs, Family, and Demographic Policy; women in Kazakhstan 70% of those that are employed, are concentrated in sectors where a high level of knowledge and qualification is required such as in education, healthcare, science and culture. Women also initiate enterprises in science, education and culture while others are involved in agricultural production. Overall, women are more involved, and have been given greater opportunities in the public sector as opposed to the private sector.

Women consider trade as a simple and understandable sector. However, the lack of infrastructure such as in the areas of transportation, communication, and mining reduces women's involvement in the industry – as special skills and knowledge of technology would be required. Umit equated the qualities demanded from women such as education, literacy and industriousness to be similar to those of men. The main challenges hindering development of businesses are marketing, competition, high taxes and problems in business expansion.

Nonetheless, Kazakhstan was ranked 41st out of 134 countries – above 14 European countries including France, Italy and Hungary – in the Global Gender Gap Report 2010; a study on gender equality. The gender situation was assessed based on four indicators, namely economic participation and opportunities, literacy level, political involvement and health and life expectancy.

Half of the female population believes that women entrepreneurship can only drive the economic development of Kazakhstan when it represents a higher share in the economy in major capital-intensive businesses. This is because such capital-intensive businesses influence political decision-making, including gender policy. She pointed out that the lack of female representation in various associations and self-employment has resulted in minimal influence by women on economic and legal policy.

The key problems of women entrepreneurship include:

1. Lack of economic stimulus for growth of small and medium sized businesses;
2. Lack of access to financial resources to identify financing problems for women businesses;
3. Lack of awareness of financial resources;
4. Lack of funding;
5. A high degree of deterioration in efficiency of economic performance and competitiveness of SMEs; and
6. Administrative barriers.

According to the survey by the World Bank and International Financial Corporation for businesses in 2010, Kazakhstan was ranked 63rd based on favourability of conditions for businesses. Umit hopes that women will eventually contribute 30% to the GDP of the state and proposed that this should be done through comprehensive analysis of their contributions.

## Pre-Forum: Businesswomen Forum: Plenary 4

Despite this figure, men rate higher in terms of efficiency in political and other significant activities since women are expected to focus more on their family. Women must also contribute to the development of the younger generation and help build their skills and knowledge required for productivity.

In light of the country's banking statistics, men have 4.3 times more debt than women. Therefore, the President of Kazakhstan has set the objective to increase the involvement of women in demographic programmes and representation at the political decision making level.

Umit concluded with several recommendations to address issues of financing for women entrepreneurship in Kazakhstan. First, since women face difficulties with primary capital and financing for their businesses, she recommended increasing state support by subsidising taxes and interest rates, and enhancing awareness of financing opportunities. Second, since women are unable to familiarise themselves with business practices due to family conditions, there is a need to establish conditions for training and development of business skills, consultancy and advisory services and professional retraining. Finally, Umit stated that the difficulty of production and reproduction of human capital are key problems of a society without family development. She therefore called for an increase in the share of state expenditure to improve the reproductive and educational factors of women to facilitate eradication of gender inequality.

### MS DARAWATI HUSSAIN, HEAD/DIRECTOR OF CIMB PRIVATE EQUITY & VENTURE CAPITAL (CPE), MALAYSIA,

began by defining venture capital as a medium to long term form of equity financing. She emphasised that it should be differentiated from micro financing, bank lending and grants. Venture capitalists provide venture capital, they are entering the company as equity partners and shareholders for a long time, mostly for the duration of between five to twelve years.

Venture capital funds are profit-oriented as fund providers expect a 20–30% internal rate of return. This contrasts with traditional bank loans where the cost of funding plus a few basic points are required; as well as with grants where there is no return of capital.

Access to venture capital is rather limited because it is only fit for those frontrunners in society who are able to succeed on a global, regional or local scale in the economy. Perhaps

only two in every 100 companies that seek venture capital will eventually obtain funding. The fund receivers usually consist either of companies that are already leaders in their field of work, or owners of cutting-edge technologies that require development. **Out of 10 investments made into businesses with venture capital funds, 8 will fail; not due to bad technology or products, but either because of incorrect business models, inaccurate assumptions on market access, ineffective marketing strategy, or an unproductive team.** Since entrepreneurship is about being independent and having financial security, venture funds might not be suitable for all types of entrepreneurs.

The role of the government and the private sector must be highly considered in light of having a vibrant venture capital system in an economy. In an emerging economy like Malaysia, 80% of fund providers are from the government and the remaining 20% comes from the private sector like banks, pension funds, and high net-worth individuals (HNWI). This



Ms Darawati Hussain, Head/Director of CIMB Private Equity & Venture Capital (CPE), Malaysia.

## Financing Alternatives for Women Entrepreneurs: Is Venture Capital a Solution?

differs from developed economies, where 20% of funding comes from the government and 80% from the private sector.

To consider venture capital as a form of funding, one must consider its purpose; which could be either innovation or affirmative action. For instance in Malaysia, certain affirmative action policies for specific minority groups are targeted towards sectors such as agriculture and information technology where they are structured like a venture capital fund with very high returns requirements. Darawafi remarked that innovation and technology are important areas of funding for the government and she encouraged development of funding in these areas.

Entrepreneurs must think big, beyond their country's borders, on how to export products and services to other parts of the region. They must also think of the applicability of products and services beyond the local economy. In this sense, an entrepreneurial society must be supported with funding and innovative education. Additionally, the government plays a significant role in creating a conducive environment that promotes entrepreneurship.

Traditional forms of funding may not be able to support innovative entrepreneurship due to its risks. However, the risks associated with current technological innovation could actually promote venture capital. For instance, venture capital would be very beneficial in the ambitious development of a security system that would allow passengers to pass through an airport via non-physical scanners within 10 to 15 years. As such, 4D technologies and green-technology initiatives that bear a high risk of failure due to the absence of returns would be areas where venture capital financing is crucial for research and development. It is important that strategic skills are employed to ensure investors, researchers and entrepreneurs work together.

Venture capitalists, the government and the market sector are important contributors in creating market access for entrepreneurs. Many entrepreneurs have good products and services but they are small ventures that would need the private sector to commercialise their products. Moreover, government to government (G2G) initiatives will help entrepreneurs expand locally and overseas.

MRS MELTEM METIN, DIRECTOR, STRATEGIC BUSINESS DEVELOPMENT, COCA-COLA İÇECEK (CCI) A.S., TURKEY, spoke about women empowerment from the corporate perspective of the Coca-Cola system that comprises the Coca-Cola Company and more than 300 of its partners worldwide.



Mrs Meltem Metin, Director, Strategic Business Development, Coca-Cola İçecek (CCI) A.S., Turkey.

Coca-Cola İçecek (CCI) is the 5th largest bottling partner of the Coca-Cola Company with operating geography that extends to Central Asia, Middle East, and Pakistan. CCI produces, sells and distributes sparkling and still Coca-Cola beverages to a consumer base of more than 360 million people. Within the operational geography, the company directly employs close to 9000 people with 90,000 more indirectly employed in the supply chain and distribution system. The model applied by Coca-Cola is one of the most important employment generation tools.

CCI has set its vision, mission and strategic framework for 2020 with a target to double its business size in order to keep pace with the changing environment. **It is important to understand women's approach to business since they will be the fastest growing economic force in the world and many small scale businesses, retailers and distributors are run by women entrepreneurs.** In fact, approximately 80% of small markets in Central Asia are run by women customers that generate 70% of CCI's sales volume. In that aspect, CCI has decided to help women overcome challenges in growing businesses. The company has started an ambitious



## Pre-Forum: Businesswomen Forum: Plenary 4

global initiative called "5 By 20" that aims to empower five million women entrepreneurs who operate retail outlets to benefit communities and businesses by 2020. The initiative is facilitated through partnerships with civil society, governments and other private sectors to obtain access to finance, financial services, business and life skills training, and to mentors and business networks.

Some of the current initiatives include a micro distribution centre model that provides business-ownership opportunities for over 1000 women in South Africa; and training for small-scale retailers, especially youth and women, to become village entrepreneurs by using mobile training buses in rural India. Additionally, there is a post-consumed Polyethylene terephthalate (PET) bottles recycling project in partnership with a private investor in Nigeria, which recycles about 400 metric tonnes of PET bottles monthly into synthetic fibres for the furniture industry. The project employs 1500 unskilled workers, of which 60% are women, as pickers and swatters in the 17 collection centres across the country. Another initiative is the partnership with the Turkish Union of Chambers and Commodities Exchanges to provide grants in support of small business development, training and mentoring for women entrepreneurs. The women business leaders of Coca-Cola Turkey will provide coaching support to these entrepreneurs.

Meltem then concluded that it is vital to adopt cultural sensitivity, flexibility, adaptability and local knowledge shaped by a long-term commitment to derive a winning business proposition. Long-term business sustainability is possible only within a sustainable community that empowers women for continued growth and prosperity.

**DR ZARINA ARSLANOVA, CHAIRWOMAN, BOARD OF DIRECTORS, NATIONAL INNOVATION FUND, KAZAKHSTAN**, shared her personal experiences on venture capital. She observed that since starting her own business over 25 years ago, she has never perceived male and female to be different in the business world. She therefore urged businesswomen to be responsible and adaptive amidst the challenges in today's evolving environment.

Women and men both face many key hindrances to success such as the issues relating to taxes, survival, profitability and access to financing. Of all these factors, access to financing is



Dr Zarina Arslanova, Chairwoman, Board of Directors, National Innovation Fund, Kazakhstan.

the main barrier to success as it eventually determines the size and scale of the company.

Dr Zarina noted that most women depend on personal funds as their main source of business financing. This would make the women fully responsible for any outcome, and this is too risky of a practice since risks would be individually absorbed. Some successful women entrepreneurs would even seek for grants at no cost to avoid responsibilities, especially as it only requires small start-up costs when obtained from foreign agencies. Nevertheless, most women would engage in bank financing that requires initial responsibility at a high cost. This too is risky as unlimited personal liability would take charge if the business fails to perform.

Due to these complications, many women would prefer to use funds provided by family members instead. She indicated that

## Financing Alternatives for Women Entrepreneurs: Is Venture Capital a Solution?

this is a good option for small businesses during the initial stages however, for emerging businesses, an alternative source of funds and assistance i.e. venture capital, must be sought. Here, men have an advantage over women in having better networking access in venture capital financing.

Venture capitalists who would like to invest in businesses by providing either formal or informal external sources of financing, and by sharing the risks involved, should have clear and concise information about the business and its financial projection. This

information is vital in order to formulate a perfect business plan: however, Dr Zarina observed that some women are not capable of properly providing this information. Women need assistance and training in networking and to meet people who

could provide them with information about available sources of financing such as banking loans and venture capital.

Eventually, after successfully obtaining venture capital funds, businesswomen normally seek venture capitalist advice and technical assistance. Considering their lack of familiarity with finance, Dr Zarina advised aspiring businesswomen to think about venture capital and to consider forums such as the WIEF as an opportunity to do so.

In her conclusion, she proposed several initiatives to accelerate women's performance in business, among others: improving access to financing; improving access to information on training courses and assistance programs, including the ones that would encourage preparation of sound business plans, financial forecast and cash-flow budgets; and improving opportunities for networking as well as mentoring among women business owners to promote the sharing of best practices.



(From L to R) Ms Darawati Hussain, Dr Zarina Arslanova, Tan Sri Dr Rafiah Salim, Ms Umit Shayakhmetova, Mrs Meltem Metin.

# WIEF Businesswomen Forum

## Plenary 5:

Industries in Focus:

Food, Tourism, Healthcare and Education



(From L to R) Tan Sri Dr Rafiah Salim, Ms Ratkan Israilova, Ms Adema Zhanassova, Dr Zainuddin Md Wazir, Ms Roza Asanbayeva.

MS ADEMA ZHANASSOVA, COUNTRY MANAGER, MUBADALA OIL & GAS, KAZAKHSTAN, moderated the session.

MS RATKAN ISRAILOVA, CHAIR OF THE BOARD, "KAIRAT BOL" COMPANY, KYRGYZSTAN,

mentioned that the economy of Kyrgyzstan is closely related to agro industrial development, food being one of the key strategic sectors. She noted that development of the food industry would translate into wealth for the people and more importantly, towards food security of the state.

Like any other industry, it also addresses the issue of unemployment. In Kyrgyzstan the production and processing of food involves about 10,000 small, medium and major enterprises; with dairy food production making up 25% of total food products. She observed that since 2006, there has been an increase in demand for highly nutritious food products.

The Forum provides opportunities for all to exchange best practices and develop business initiatives amongst women. In support of that theory, the workforce in the Kyrgyz food industry is made up mostly of women, who also represent about 25% of middle managers in food SMEs. Ratkan has been





Ms Ratkan Israilova, Chair of the Board, 'Kairat Bol' Company, Kyrgyzstan.

involved in the food industry since 1978, making her way from the position of Master Chef to the Director of a dairy enterprise. Following the independence of her country and various privatisation moves of state-owned enterprises, she started her own business to help create more employment opportunities for women.

In ensuring provisions for financial resources and in support of various economic activities, she started the credit union 'Kairat Bol' in 1997, which today has partnered with various rural food enterprises. Additionally, to help cover the needs of the confectionery and bakery industry, she launched a bakery and a training centre to improve the skills of businesswomen and the youth.

On a final note, she mentioned that after the collapse of the former Soviet Union, women in rural areas did not have proper knowledge and skills to either work or start a business,

thus they were left without jobs. At that stage, her credit union was sought out by enterprises to be considered for its credit portfolio. The cultural, social and economic potential of women is incredible because beautiful, well-educated, responsible and creative women full of initiative would help to enhance the social and economic wealth of not just their respective families but also the country as a whole.

MS ROZA ASANBAYEVA, PRESIDENT, KAZAKHSTAN TOURISM ASSOCIATION, pointed out the term 'businesswoman' is not alien to most of the audience but to become one, it is easier said than done.

In the 1950s after the war, most women in Kazakhstan were forced to become breadwinners for their families. This situation has been the main motivation for Kazakh women in the past to become innovative and to turn businesses and sectors they have never had any experience in before. Roza told of her story of having to learn about the tourism sector and the English language. Today, she is helping the organisation of two important associations, namely in hotels and restaurants, as well as the Kazakhstan Tourism Association.

Tourism can facilitate the development of national wealth, and in Kazakhstan, it also helps in creating a contemporary lifestyle for Kazakhs, in addition to the fact that it involves a great number of women in the workforce. Kazakhstan is the latest attraction in international tourism; the country offers political stability, untouched nature, excellent industry capabilities and strong leadership under its current president.

In many countries, tourism serves as one of the main catalysts towards modernisation. Tourism development is closely linked to the development of many other industries; Kazakhstan for example has grown rapidly in the past 20 years and it owes much of that growth to tourism. In the future, the tourism capacity of the country will be more developed and the country will be open to more international tourists, and this will provide an abundance of opportunities for growth. She then suggested that governments ought to invest in tourism.

She foresees that the demand for tourism in Kazakhstan in the near future will multiply, and given significant investment by



Ms Roza Asanbayeva, President, Kazakhstan Tourism Association.

the government, this will open up opportunities for women entrepreneurship. A highly profitable and sustainable tourism industry will provide an important means of livelihood especially for people in rural areas.

By 2025, China, Russia, India and the GCC region are expected to generate numerous foreign trips a year. Kazakhstan has to make sure that it will be ready to take advantage of the situation and this includes having enough hotels and other infrastructure. She noted that as of today, there are only about 1,500 hotels throughout Kazakhstan and that number is about equal to the number of hotels in a single metropolis like New York or Shanghai. Thus, there are considerable opportunities for foreign investments in the hotel industry in Kazakhstan.

**DR ZAINUDDIN MD WAZIR, PRESIDENT, ALLIANZE UNIVERSITY COLLEGE OF MEDICAL SCIENCES, MALAYSIA**, started by highlighting his six main points:

1. There is a widening gap in terms of healthcare and economic development between developing and developed countries

2. The global healthcare industry is growing and there are a number of opportunities available
3. Medical tourism is a viable strategy to positively influence economic development in developing countries
4. Education plays a key role in improving a country's healthcare system and economy
5. Universities and colleges should be encouraged to integrate global health topics into their curricular
6. Partnerships between developed and developing countries should be made in order to strengthen the global health system.

On current issues, he explained that quality healthcare is an important need for everyone. The Millennium Development Goals (MDGs) adopted by the international community in 2000, has listed access to quality healthcare services as one of the most important factors to achieve. However, the global health situation requires evaluation and intervention to correct the current growing healthcare concerns.

He said that measuring the level of healthcare services in a particular country is to see whether undernutrition is occurring. Around the world, over 150 million children under the age of five

are underweight; undernutrition in children is a common issue in many parts of Asia and Africa. He was quick to point out that, in developing countries, the mortality rate of children under the age of five is significantly higher than in developed countries.

Dr Zainuddin mentioned that **out of the estimated 1.5 billion children in developing countries, 270 million of them do not have any access to quality healthcare.** On the other hand, as a country becomes more developed, the health concerns of the population shift from primary infections such as diarrhoea and pneumonia to non-communicable diseases, such as cardiovascular disease and cancer. This shift is caused by many factors, such as an improvement in medical care, which means children do not die easily from curable conditions; and public health intervention such as vaccination and clean water supply.



Dr Zainuddin Md Wazir, President, Allianze University College of Medical Sciences, Malaysia.

Outlining the opportunities, Dr Zainuddin stated that global healthcare spending in 2009 alone was about USD 5.46 trillion, and this spending ranged from preventive care to specialised treatments, which included among others management of healthcare, medical equipment and devices, pharmaceutical industry, and health support services. North America represents the largest segment of the global health industry, with Asia showing tremendous growth potential.

Southeast Asia benefits most from medical tourism, which has been proven to have a positive effect on the economy of developing countries; hence can be translated to an increase in jobs, income, and the quality of life for the participating nations. Medical tourism promotes infrastructure development, and when investors finance state of the art hospitals across various developing countries, the demand for quality healthcare increases along with the standard of living of its citizens.

He then mentioned that a particular country's poor education system might also be correlated to a poor level of healthcare services. For instance, pregnant mothers who lack proper education may contribute to the high infant and maternal mortality rate. On the other hand, countries like Malaysia, Singapore, Thailand and the Philippines have been very progressive with regard to training nurses and doctors for the local and overseas workforce market.

On a personal note, Dr Zainuddin explained that although life expectancy continues to rise in wealthier countries, it is actually falling in poorer ones. Meanwhile, there is a growing general sense that this inequality cannot be allowed to continue. The promise of modern medicine must allow everyone on the planet an equal chance for a healthy life. Professionals such as scientists, entrepreneurs and politicians must work together to bring about a primary healthcare system to the public. **Everyone should have access to basic essentials of good health whoever they are and wherever they are born. Those with the ability to provide lifesaving vaccines and medication to the world's less fortunate, and to conduct research and develop new medicines can and should do more.**



## Pre-Forum: Businesswomen Forum: Plenary 5

TAN SRI DR RAFIAH SALIM, DIRECTOR, NAM INSTITUTE FOR THE EMPOWERMENT OF WOMEN, MALAYSIA, was the first woman to be appointed to the post of Vice-chancellor of a university in Malaysia. She spoke on the history of the education industry in Malaysia, where since the country's Independence in 1957, its main focus was to educate the population regardless of gender or race. Malaysians were put through numerous education systems and this successfully produced a large middle class, who then became obsessed with providing a good education for their own children. Today, Malaysia has 20 public universities fully funded by the government and more than 30 private universities. The responsibility to ensure standard and quality in education lies with the Malaysian Qualifications Agency (MQA).

In Malaysia, private primary and secondary schools are available, whilst free education can be obtained from public schools. The status quo in Malaysia is that the private schools are gaining popularity and it is a mushrooming business. Pre-education is also a booming business, with more than 90% of kindergartens being owned and run by women.

The education industry in Malaysia has become very successful and this has allowed the country to attract foreign students. More than 50,000 foreign students from hundreds of countries are studying in Malaysia.

The country provides internationally competitive education standard, which includes twinning programmes with some of the world's top universities. Tan Sri Dr Rafiah explained that the success is contributed by the quality of education in Malaysia, affordable and quality living, a politically stable and Islamic-friendly environment that appeals most to Middle Eastern students and has an excellent transportation system. Malaysia is also a geographically stable environment with no earthquakes or major tsunamis.



Tan Sri Dr Rafiah Salim, Director, NAM Institute For The Empowerment of Women, Malaysia.

Tan Sri Dr Rafiah indicated that she is indeed proud of the fact that the most successful private school in Malaysia, the Sri Cempaka Schools, is run by a woman. Meanwhile, franchise businesses like SmartKids, Smart Reader and Montessori are popular concepts in Malaysia. She noted that women have a real advantage in the education industry; after all, the customers are predominantly women and mothers. In Malaysia, more than 75% of schoolteachers are women, and in public universities nearly 70% of the students are female.

On a final note, Tan Sri Dr Rafiah mentioned that to succeed in the education industry, women need to equip themselves with business insight. Matters involving a business such as balance sheet, funding and venture capital issues must not be alien to women entrepreneurs in education.





Pre-Forum

# WIEF Young Leaders Forum

Leadership in Motion: Leveraging Skills and Talent



# WIEF Young Leaders Forum Opening Session

DATO' SRI NAZIR TUN ABDUL RAZAK, CHAIRMAN OF WIEF YOUNG LEADERS NETWORK (WYN) & CEO OF CIMB GROUP, MALAYSIA, stated that the WIEF Young Leaders Network (WYN) had a very productive twelve months since its last Forum in Kuala Lumpur in 2010. For instance, the Marketplace of Creative Arts that was first launched at the previous Forum had its second gathering at the Asian Civilisation Museum in Singapore in February of this year.

Encouraged by its success, Dato' Sri Nazir gave a quick introduction of the third Marketplace of Creative Arts in Astana themed "Unity in Diversity." It is a global line-up of 28 artists from the United States, Zimbabwe, Central Asia, Malaysia, Indonesia, Singapore, and Oman; he urged everyone to enjoy the performances by these amazing talents.

He went on to say that the WYN continues to make significant progress under the flagship of 'Groom a Leader Programme', an internship initiative. Consequently this year, nine successful interns from seven Muslim countries have been placed in Asia EP, Ethos & Company, PricewaterhouseCoopers, Rio Tinto Alcan, Sime Darby and CIMB.

On the scholarship front, Dato' Sri Nazir announced that two Malaysian academic institutions will offer scholarships specifically for Kazakh nationals. The Binary University College has agreed to award ten undergraduate scholarships, whilst Kolej Teknologi Timur will provide ten A-Level scholarships for prospective candidates.

Dato' Sri Nazir announced that in line with the theme of the present Forum: 'Leadership in Motion, Leveraging Skills and Talent', participants would focus on the development of strong Muslim leaders for the new world. Together with the WYN Secretariat, a steering committee has been formed to prepare a comprehensive roadmap to take WYN to the next level, comprising an international panel of young leaders from various



Dato' Sri Nazir Tun Abdul Razak, Chairman of WIEF Young Leaders Network (WYN) & CEO of CIMB Group, Malaysia.

## Pre-Forum: Young Leaders Forum

fields such as Sofiah Jamil from Singapore, Nadia Roumani from the United States, Arif Zaman from the United Kingdom and Fazil Irwan from Malaysia. The committee aims to prepare the WYN to take on a larger role as a movement for Muslims. In line with that, the Committee will work towards the launch of a blueprint for the 2012 gathering.

The global financial system and the shift in power and prosperity to Asia. This scenario has made a dramatic impact on the global political landscape, which has brought opportunities and challenges. The transformation of Kazakhstan over the past twenty years as a developing nation bears testimony to this.

He suggested that to take advantage of opportunities and manage challenges, one must search for knowledge, experience and network. Forums such as the WYN has a tremendous role to play for young Muslims. On a final note, he urged the audience to share their ideas and thoughts for the betterment of the world.

MR NURLAN S. UTESHEV, EXECUTIVE SECRETARY, ASSOCIATION OF YOUNG LEADERS "ZHAS OTAN", KAZAKHSTAN, stressed that international forums can provide valuable experiences to future young leaders. The organisations and institutions in Kazakhstan play an important role for the youth as they pave the way to construct learning groups. This platform can unite the younger generation so that they can express their opinions and views with participating parties.

Similarly, Kazakhstan has formed an initiative to cultivate investments within the country and connect with young Kazakh citizens through the World Islamic Economic Forum. He urged participants to use their experience with Islamic countries as an inspiration to form investment activities. After today's

Forum, he hopes that the WIEF would help change the mindset and direction of the youth and consolidate the experiences of Eurasian countries with the Islamic World.

He affirmed that this year's Forum will be a table of opportunity in the development of the youth, which will be of global importance in solving serious issues. He ended by stating that the WIEF is a movement that is unique and will soon expand across borders.



Mr Nurlan S. Uteshev, Executive Secretary, Association of Young Leaders "Zhas Otan", Kazakhstan.





# WIEF Young Leaders Forum Plenary 1:

## Leadership in Motion: Anecdotes of Success



MR IAN BUCHANAN, SENIOR EXECUTIVE ADVISOR, BOOZ & COMPANY, AUSTRALIA, the moderator, mentioned that during his youth, he perceived leadership as an easy task that only required one to be smart, hardworking and committed. However he later realised this was not the case, pointing out that Bob Dylan took forty years to learn the difficulties of achieving sustained change.

Ian introduced two pieces of data pertaining to the problems of leadership. The first piece was from a survey done on 3000 leading firms from the Davos World Economic Forum, which indicated that only half-a-percent of these employees felt that the leadership within their firms have achieved full potential. The second survey was from the Harvard Business School in 2005, which showed 1500 leading firms having strategies and

leadership in place but with less than 5% of the firms achieving their full potential. Based on both surveys, the moderator pointed out that leadership in achieving positive outcomes is a difficult task and therefore will be a challenge for young leaders.

DATO' SRI NAZIR TUN ABDUL RAZAK, CHAIRMAN OF WIEF YOUNG LEADERS NETWORK (WYN) & CEO OF CIMB GROUP, MALAYSIA, stated that CIMB Group has gone through massive transformation. He quoted that within his Group, there were 1000 people operating in Malaysia in 2005, and five years later there were about 38,000 people operating across Southeast Asia. In terms of market capitalisation, the organisation moved from USD 1.5 billion to USD 20 billion.



Dato' Sri Nazir Tun Abdul Razak, Chairman of WIEF Young Leaders Network (WYN) & CEO of CIMB Group, Malaysia.

Dato' Sri Nazir laid down seven vital points pertaining to leadership namely:

1. Clarity or vision in taking the business forward:  
The leader must set the vision as a navigational constellation for the employees.
2. Empathy: In order to lead, one must understand the people they are leading.
3. Communication: The leader must be able to communicate effectively with their employees.
4. Continuous improvement: As human beings, one cannot achieve perfection but there should be room for improvement.
5. Success can be found on the other side of failure:  
How does a leader respond to failure? This is the point where a leader should be strong, as there are lessons that can be learnt from failure.
6. To reject the denial syndrome: It is dangerous when one has the tendency to see the world the way he wants it to be as opposed to the way it really is.
7. Leadership is a perpetual personal journey:  
One must ask himself can he change to run an entity that has gone through transformation? A leader has to be able to have a different set of skills to run a business that is constantly evolving.

Regarding a question by the moderator on institutionalising leadership, Dato' Sri Nazir said that CIMB has a Leadership Programme twice a year that recruits young people who are trained to be leaders of the future. He said that the main part of training comes from present leaders and this is important in building leaders of the future.

MS ZHANNA TULEGENOVA, EXECUTIVE DIRECTOR, BOLASHAK ASSOCIATION, KAZAKHSTAN, remarked that in nurturing young leaders, new ideas are being promoted and communicated. Currently, the focus is on building talent and skills by working diligently and in the present management there are certain key factors that give rise to this. The key elements are political factors, a stable situation and the performance of new leaders. In Kazakhstan, a new policy is being adopted in the country and **more focus is on creating new knowledge for young leaders.**

In Kazakhstan, obtaining a scholarship is a relatively straightforward process for the newer generation, but not all of the youth is interested in studying. It is important for young leaders to attend foreign universities and to promote new ideas and new programmes.



Ms Zhanna Tulegenova, Executive Director, Bolashak Association, Kazakhstan.

## Pre-Forum: Young Leaders Forum: Plenary 1



Mr Sandiaga Uno, Managing Director, Saratoga Capital, Indonesia.

Another important field is the development of the national language of Kazakhstan; and the focus is to train people for part-time jobs, instead of a fulltime career. She cited an example of Disney cartoons that are being translated from English to Kazakh. Mass media and filmmakers are now being inspired to develop this tradition, which is becoming predominant in creating new knowledge. She concluded by stating that if one has a magic stick that enables him to see the future, then he as a leader must ask himself, what is needed to develop this project further?

MR SANDIAGA UNO, MANAGING DIRECTOR, SARATOGA CAPITAL, INDONESIA, cited that the success of his firm reflects the success of Indonesia, which transformed after the Asian economic crisis. He gave a brief history of his financial advisory company that started out with only three employees and a lack of financial resources.

He observed that **leadership comes naturally in a person facing calamities. No one can underestimate the character of such a person because they will come up with new ideas and unique initiatives.** With leadership, his company grew and eventually expanded to 20,000 employees.

He outlined several characteristics of a leader: first, is showing leadership by way of example. Second, leadership relates to community development and is all about inspiring employees and stakeholders to achieve greatness. Third, the wisdom and character of a leader is important to an organisation.

He added that in his company, there are three main factors in recognising great leaders – integrity, energy and intelligence. Leaders should not be afraid of trial and error, they must be flexible, compassionate and passionate about their duties.

In response to the moderator's question about institutionalising leadership, Sandiago replied that it could be done through mentorship, by providing sponsorship to young leaders so they can climb the ranks faster and achieve better results.

MR KHAIRY JAMALUDDIN ABU BAKAR, CHAIRMAN, UMNO'S YOUTH WING, MALAYSIA,

gave a brief background about his organisation, which comprises 650,000 members, 191 chapters around the country and 400 different branches across Malaysia. He noted that unity in his organisation is not that of an employer-employee relationship, since the members actually volunteer to be a part of the organisation. Thus, in this context, a different form of leadership is required to run a political organisation.



Mr Khairy Jamaluddin Abu Bakar, Chairman, UMNO's Youth Wing, Malaysia.



He pointed out that although his political party is still ruling Malaysia, they suffered one of the worst political results in the last general elections. Part of the reason is because the young voters decided to support the opposition coalition. However, to win them back, he has been provided with Key Performance Indicators (KPIs) to inspire them.

He then cited elements of leadership when running a political organisation, which are as follows:

1. Leadership itself: Being in a political position, one must lead and not be led. Politicians tend to be guided by the grassroots in order to not lose support. However, one must be able to take risks and convince the people even if it means losing in the next elections. Leadership in business is about changing the political world in the hopes of inspiring young people.

2. Conviction: Too many politicians tend to speak to a crowd they are comfortable with and shun a crowd that is alien to their thoughts.

A leader should be able to challenge the people intellectually with facts to show that what he offers may change their perspective.

3. Securing stakeholders: The biggest challenge is quality over quantity, there is a need to recruit better leaders to inspire the youth to support the political party. It is vital to convince and win the hearts of the people outside the party.

4. Demonstrative effect: As a political leader, one must create new KPIs from new members. This is a way of creating milestones and KPIs are essential markers for success.

5. Challenge the system without losing out: The leader must be able to present change without upsetting the entire organisation.

6. Timing: Strike at the right time in order to change the organisation.

7. Perseverance: Never give up even though there are obstacles in one's way. Otherwise, a leader will not be able to bring about change in an organisation.

8. Long-term outlook: Young leaders tend to only look at short-term goals but the long-term legacy of the organisation is important.

A delegate from the floor asked a question with regard to the responsibilities of the older generation of leaders to step aside and give way to young leaders. Khairy believed that people have to learn to trust younger leaders; they have to trust in their ideals, as it is important in building a new generation.



Mr Ian Buchanan, Senior Executive Advisor, Booz & Company, Australia.

# WIEF Young Leaders Forum Plenary 2:

Humanising Prosperity:  
Making Social Entrepreneurship Work



THE MODERATOR, MS ZARINA NALLA, POLICY AND PROJECT DEVELOPMENT CONSULTANT, INTERNATIONAL INSTITUTE OF ADVANCED ISLAMIC STUDIES (IAIS), MALAYSIA, began by defining social entrepreneurship as the idea of sustaining businesses that will help improve the wellbeing of society. When governments and the corporate sector are unable to address societal issues, the responsibility lies with the youth, who hold social ideals and an entrepreneurship spirit. A favourable ecosystem for social entrepreneurship must include the key role-players namely the government, the corporate sector and civil society.

MR MARTIN BURT, FOUNDER & CEO, FUNDACIÓN PARAGUAYA, offered his personal observations of the tension between economic growth and poverty in South America. The poor do not benefit from economic growth in South America since the wealth does not trickle down, as it should, to all members of society. He challenged the saying that the rich are rich because the poor are poor, and stated that one way of solving this is through social entrepreneurship; where financial institutions and other organisations could be used to solve problems within society. Traditionally, it has been the role of the government to shoulder the responsibility for problems such as housing, unemployment,



Mr Martin Burt, Founder & CEO, Fundación Paraguaya.

and illiteracy. However, social entrepreneurs have the potential to turn these problems into opportunities. Martin noted that it is possible to change traditional vocational schools into educational institutions that transform students into graduates. These market-based vocational schools would eventually achieve 100% financial self-sufficiency and would therefore also serve a social function since Latin America is filled with technical vocational schools that do not produce successful graduates.

While there are many areas of social entrepreneurship to embark upon, the most important aspect for the youth to think about is whether it is worth venturing into such areas and if it is possible to do it. **The youth will have to be encouraged to venture into social entrepreneurship, thus making them realise the value in undertaking such ventures; we must also transfer the right skill sets to assist them in achieving their goals.**

The main difference between social entrepreneurship and business entrepreneurship is that whereas the latter is concerned with the bottom line of profit, social entrepreneurship is

interested in the impact. Corporate Social Responsibility (CSR) requires that society should benefit, but is not in itself an example of social entrepreneurship. He referred to an example in India where a doctor charged richer people a normal rate for cataract operations and charged almost nothing for the poor; a classic case of cross-subsidisation.

**MR EBRAHIM PATEL, CEO OF MAGELLAN INVESTMENT, SOUTH AFRICA & MEMBER OF INTERNATIONAL ADVISORY PANEL, WIEF**, began by defining a social entrepreneur as one who is caring, believes in social justice, and is concerned about the environment. These are all values that can be used to describe a Muslim entrepreneur.

In addressing the difference between a social and corporate entrepreneur, Ebrahim said that the failure of the corporate entrepreneur lies in being concerned only with shareholders. On the other hand, social entrepreneurs are concerned with the community at large; therefore, social entrepreneurs need to understand what it is that they are really trying to accomplish. For instance, the social entrepreneur's motivation is to uplift his community. However, because his goals are both humanitarian and capitalistic in nature, the challenges are actually far greater



Mr Ebrahim Patel, CEO of Magellan Investment, South Africa & Member of International Advisory Panel, WIEF.

## Pre-Forum: Young Leaders Forum: Plenary 2

than that of the corporate entrepreneur. This means that social entrepreneurship has a far greater role to play in the current world order. **The problems of the world today will not be solved purely by the traditional roles played by governments, corporations and NGOs. Instead, the solution will emerge from the youth who have a more social outlook on life.**

Ebrahim was however quick to point out that we often tend to regard social entrepreneurs as NGOs without applying business principles to them. In fact, social entrepreneurs are also required to consider corporate responsibility, sustainability, financial viability and corporate governance. Thus, social entrepreneurs operate within a far more challenging – but also more rewarding – environment with greater benefits to society than their corporate entrepreneur counterparts. Ebrahim concluded by saying that the society will face great challenges ahead and it is important to seek solutions in the communities that are able to provide for themselves. For too long the world has looked for solutions from the developed countries – it is now equally important to seek solutions from the developing world.

In response to a question from the floor, Ebrahim observed that a Muslim leader has to be an all-encompassing leader

whether it is within the family, work or society. This means that there are few differences between a social entrepreneur and a Muslim entrepreneur. A Muslim businessman ought to be just, fair, considerate about the environment, generous and prepared to share his wealth with society. Hence, **Muslim entrepreneurs are naturally social entrepreneurs.**

He went ahead to explain that governments, corporations and individuals have not yet understood the importance of social entrepreneurship; adding that regulatory frameworks and financial support should be made available to social entrepreneurs.

**MR HIDEYUKI INOUE, MANAGING DIRECTOR, SOCIAL VENTURE CENTER, ETIC, JAPAN**, reiterated the argument that young leaders should not solely aspire towards a career of business. Using his own country as an example, he noted that the Japanese community is socially oriented, and social enterprises are becoming an extremely popular trend especially amongst the youth. This highlights a very pertinent cultural issue where the younger Japanese have begun questioning the need to work themselves to the bone.

Hideyuki observed that the high suicide-rate in Japan can be viewed as a downside of unmitigated economic growth and development that results in isolation which stifles human



(From L to R) Ms Zarina Nalla, Mr Ebrahim Patel, Ms Zhuldyz Omarbekova





Mr Hideyuki Inoue, Managing Director, Social Venture Center, ETIC, Japan.

relationships, families and friendships. Japan is seeing a change in its social environment, and he encourages people to contribute their time and financial resources to social venture funds in order to build capacity for social enterprises. He concluded by stating that everyone can contribute to society in their own way, even if it is through a daily skill such as accounting.

MS ZHULDYZ OMARBKOVA, CHAIRMAN OF THE ORGANISING COMMITTEE, ALTYN ZHUREK NATIONAL AWARD, KAZAKHSTAN, challenged young people in their twenties and thirties to take advantage of all the resources at their disposal in order to develop social entrepreneurship.

At the young age of 22, Zhuldyz came up with the idea of creating a philanthropy award with the aim of encouraging businesses to contribute to society through charitable organisations such as orphanages. Despite the brilliant idea, she had no funds to start with but she was able to harness student volunteers to kick-start the project by convincing them that it was a noble and honourable cause. The team then proceeded to write numerous letters to national authorities to raise funds. This

small venture became national and is now mushrooming into a range of different projects.

She then quoted the expression "the one who doesn't cry will not be given milk", explaining that **anyone with a good idea must learn to seek out resources, and with a defensible business plan in hand, prove to investors the benefits they would reap for society.** Furthermore, when sourcing for funds, it is prudent to ensure that the project proposal is of exceptional quality and very clearly formulated. A social project needs to meet the same requirements as that of a big business and consider such details as the selection of staff.

During the dialogue session, Zhuldyz departed slightly from the attempts by other panellists to distinguish between social and business entrepreneurs by stating that any entrepreneur should provide benefit to society no matter the product being sold.

In conclusion, Zhuldyz stressed that social entrepreneurship is a good chance for the youth to make use of their knowledge to benefit society. Those who are not indifferent to life and the world will be able to achieve this no matter who they are.



Ms Zhuldyz Omarbekova, Chairman of the Organising Committee, Altyn Zhurek National Award, Kazakhstan.

# WIEF Young Leaders Forum

## Plenary 3:

### Creating Change through Arts: Images, Fables and Poetry



(From L to R) Mr Sanif Olek, Ms Susan Schulman, Ms Wan Zaleha Radzi, Mr Asad Jafri and Ms Elya Gilman

MS WAN ZALEHA RADZI, FORMER TV PERSONALITY AND PRINCIPAL, ASIAPROMOTE VENTURES, MALAYSIA, was the moderator of the session.

MR ASAD JAFRI, DIRECTOR OF ARTS PROGRAM, INNER-CITY MUSLIM ACTION NETWORK (IMAN), UNITED STATES, gave a short introduction of Inner-city Muslim Action Network (IMAN). He explained that IMAN is a community-based nonprofit organisation established in 1997 in the southern side of Chicago. In their neighbourhood, resources were scarce and residents were mostly of African, Palestinian and Mexican origin.

To develop the community in the neighbourhood, IMAN decided to focus on three core areas, 'Serve, Change and Inspire'. IMAN also ran free health clinics, conducted career development services for the youth, in addition to social justice services for the community such as criminal justice, immigration issues, health and wellness. In 1997, IMAN began to cultivate art and culture in urban communities among the youth in the neighbourhood. Arts were seen as a natural outlet for them, since music is a universal language that can connect people from different cultures and backgrounds.

In 2007, IMAN decided to use art to create change within the youth, thus empowering and creating change in their



Mr Asad Jafri, Director Of Arts Program, Inner-City Muslim Action Network (IMAN), United States.

neighbourhoods. Three arts and culture programmes were established under IMAN, as follows:

- 1) 'Takin' It to the Streets' was established in 1997 as a weeklong festival. Last year, 100 artists came from 24 different countries to perform for 20,000 people. Because of its success, the city of Chicago recognised it and created a yearly event called Dandana: A Celebration of Muslim Voices.
- 2) 'Community Café' was established in 2003, where young people can showcase dance, music and theatre to a smaller audience in a positive environment.
- 3) 'Artists Retreat' was formed in 2006 to establish relationships with over 300 artists from around the world. This was also meant to boost the Muslim artists' careers in the United States.

He concluded by stating that the main goals of the arts and culture programmes under IMAN was to empower the younger generation to express themselves, to inspire social change through workshops and rallies, and to build healthy communities by having hip and cool gatherings for Muslims. IMAN also aims to expose Muslim artists within the United States and abroad through media coverage and to use

arts to build bridges and develop mutual understanding.

The moderator, Wan Zaleha, then asked what were the challenges he faced in Chicago. Asad pointed out that the mainstream media queried his intention of creating such events. It was also difficult to coax the Muslim community to participate, they believed that there were more important events to attend. Although it was challenging to create the right balance to please



Mr Sanif Olek, Filmmaker, Singapore.

## Pre-Forum: Young Leaders Forum: Plenary 3

everybody, at the end of the day, Asad believed in his goals and set out to do what he wanted to achieve.

**MR SANIF OLEK, FILMMAKER, SINGAPORE**, related his fifteen years of experience in commercials, television, dramas and films in Singapore. He said there were certain issues about the community that could not be presented on commercial television due to censorship. This inspired him to project stories to a larger community since he had the capabilities to do so. He then talked about his three short films; *Lost Sole*, *A La Folie*, and *Ameen*.

In *Lost Sole*, Sanif narrated how an elderly man misplaced his slippers after the Friday prayers. He realised that while growing up, incidents such as this usually take place in religious places. People in his community were not comfortable to talk about this, as they did not want to expose things that happened in the house of worship. Sanif went on to relate how the community questioned why he needed to make such films. Despite this, *Lost Sole* went on to win two short-film awards and was shown at over thirty film festivals.

As a Malay and coming from a Muslim background, Sanif noted that there was a niche for stories of the minority community in Singapore; this inspired him to do more stories about Muslims. In Singapore, once *Lost Sole* was released, the other Malay



Ms Susan Schulman, Award-Winning Photo & Video Journalist, United Kingdom.



(From L to R) Ms Susan Schulman, Mr Sanif Olek, Ms Wan Zaleha Radzi.



filmmakers were empowered to film similar stories. He said that his other two upcoming films reflected the Muslim community and he hoped for their release by the end of this year.

Replying to a question on funding prospects in Singapore, Sanif stated that it was difficult to gain funds as priority was given towards commercial films and those with bigger names. In his case, his film was the first Malay language movie and he did not receive any support from commercial studios. He and his friends in the art community launched fundraisers in Singapore to help finance his film.

### MS SUSAN SCHULMAN, AWARD-WINNING PHOTO & VIDEO JOURNALIST, UNITED

KINGDOM, shared with the audience a short trailer entitled *Congo: Living With the Enemy*. Susan was the producer and journalist for the trailer; snippets of the trailer showed that in 1994, 800,000 men and women were killed in genocide in Congo. Obscured by the conflict in a span of fifteen years, five million lives were spent in the greatest human disaster of modern times.

For two years, the Democratic Liberation Forces of Rwanda (FDLR) had slowly secured armed control in Congo. Due to this, the lives of the population deteriorated tragically. Susan was a photojournalist when this happened. She is appalled that this tragedy continues, while the biggest peacekeeping forces on earth (the United Nations) are merely watching this tragedy. She conveyed her hope in **trying to create awareness by bringing to the open what is hidden from view through photography and video.**

With regard to a query on the distribution of arts in the future with the emergence of the internet, Susan said that she is happy there are new and increasing tools of communication. However, money is still an issue and there is always a need to raise sufficient funds for arts.

### MS ELYA GILMAN, MOVIE DIRECTOR, GILMANFILM PRODUCTION, KAZAKHSTAN,

showed a three-minute trailer of a film called *Dear Mummy* that portrayed children who lived in orphanages in Kazakhstan. Elya said children in orphanages are often talked about in Kazakhstan



Ms Elya Gilman, Movie Director, GilmanFilm Production, Kazakhstan.

and Russia. She had recently seen 48,000 children living as orphans and there were always cases of children still looking for their parents.

**Cinema has a great impact on human mentality and one can see the horror and emotion in the audience.** Likewise, the impact of *Dear Mummy* was so great that when it was released, some of Elya's friends adopted orphans from orphanages. She revealed that although the orphanages in Kazakhstan are funded by the government, they are badly in need of care. She ended by saying that people should be more proactive in doing good things. Even though orphans are well taken care of, they also need emotional love and care. Elya urged the audience to show more love towards orphans.

Elya stated that a wider range of audience would be able to view her films on the internet. However, her film might not cater towards the younger generation as they would not be able to relate to it. The youth prefers to watch the latest commercialised films and therefore Elya believes she would not be able to convey her message to this specific age group.

# WIEF Young Leaders Forum

## Plenary 4:

Nurturing Glocal Champions:  
Building the Right Ecosystem



(From L to R) Ms Isabel Romero Arias, Mr Khalid Sharif, Ms Tatyana Zhdanova, Mr Abas A. Jalil, Mr Kamal Mouzawak.

**MR KHALID SHARIF, EDITOR AND MANAGING DIRECTOR OF THE MUSLIM PAPER & MANAGING DIRECTOR, UMMAH FOODS, UNITED KINGDOM,**

the moderator, began the discussion by defining 'glocal' as a situation where an entrepreneur invests globally but still takes into account the local environment. The entrepreneur needs to consider how well they will fare at home and in other countries.

**MR KAMAL MOUZAWAK, FOUNDER, SOUK EL TAYEB, LEBANON,** talked about Souk el Tayeb, which he founded eight years ago. He started growing food and baking

bread as a small initiative, the company later grew and diversified into education and organising food festivals in each region. Every region has a different historical background and way of living; he took advantage of these differences to complement one region with another region.

Lebanon is not only unique but has a diversity of people; Muslims and Christians have lived together for a long time but have also fought to prove their differences. In 1995, the people learnt to sort out their differences and Lebanon has remained united ever since. He then showed pictures of Lebanon, which had recently celebrated its thirty years of unity.



Mr Kamal Mouzawak, Founder, Souk el Tayeb, Lebanon.

He believes that ethics and values should go beyond religious and geographical affiliations. Human values can bring people together and differences can be put aside. With this principle in mind, he hopes to participate in more projects on an international scale.

A question was posed to Kamal on how to change the mindset of young entrepreneurs on whether to prioritise profit or shared humanity. He replied that one should question the definition of profitability as there is such a thing as social profitability and environmental profitability. The best approach is to bring together both worlds of thought and develop it on a smaller scale.

MS ISABEL ROMERO ARIAS, DIRECTOR GENERAL, HALAL INSTITUTE, SPAIN, explained the structure of the Halal community in Spain. The creation of structures of support would improve the situation for Muslims in Europe. As a result, this would create better training opportunities, boost external trade, promote young entrepreneurs to exchange ideas and at the same time enhance the quality of human resources.

Isabel stressed that women must be respected and become more involved in business activities in society and initiatives should also be taken to support the future generation. She concluded by saying that entrepreneurs should take advantage of the internet and they should be more ambitious in achieving their business goals.

In response to the moderator's question on whether Muslims have forgotten to become glocal champions when they move to their host country, Isabel replied that when one leaves their home country, they would send money back home. The first step they would do is to guarantee their income. The second step is to bring their family to them. The third step is to become citizens of the host country. The final step is to start thinking of how to contribute to the host country. She said it would take many years for a person to reach the final step and this is the reality of today's situation.

MR ABAS A. JALIL, CHIEF OPERATING OFFICER, INTERNATIONAL BUSINESS, AMANAH RAYA CAPITAL GROUP SDN BHD, MALAYSIA, introduced Amanah Raya Capital Group, a company owned by the Ministry of Finance. Apart from local and domestic business trustees,



Ms Isabel Romero Arias, Director General, Halal Institute, Spain.



Mr Abas A. Jalil, Chief Operating Officer, International Business, Amanah Raya Capital Group Sdn Bhd, Malaysia.

investment and fund management in Malaysia, Amanah Raya is also involved in the development of capital market and Islamic Finance throughout the world.

By venturing overseas, the company has encountered several challenges on how to integrate two countries with different cultures and environments, and the most difficult barrier they encountered was language. Nevertheless, they have learnt how to move forward in expanding their businesses overseas by forming partnerships with other countries and at the same time respecting the local culture.

Throughout history, most countries expanded their trading route through imperialism and conquering other countries. In the modern world, there is such a concept called financial imperialism, whereby large corporations venture into emerging markets, and they make profit by taking all the wealth and leaving the host country empty-handed. Abas noted that **the best way to improve and build a proper ecosystem globally is to expand overseas and act on mutual benefits. In this way, the investor would benefit from their own investments and the host country would gain in terms of enhancing their**

**knowledge.** Eventually, both parties would be able to expand to other neighbouring countries.

He concluded by saying that this approach is how Amanah Raya conducts its investments overseas. This approach also carries the true meaning of global champions in business. Expanding overseas does not necessarily mean enforcing one's culture and the way of doing business in other countries. Instead it is important to assimilate and integrate in a harmonious and mutually beneficial way.

Replying to a question on whether he faced any form of Islamophobia when he ventured overseas, he said that when one looked at history, trade linked the East to the West and there was no enforcement in trade. Religion is a foundation upon which people can learn to assimilate and learn from one another. It is important to understand other people and their culture, as business is built on mutual understanding and benefits.

### MS TATYANA ZHDANOVA, VICE PRESIDENT FOR EXTERNAL ECONOMICS RELATIONS, CHAMBER OF COMMERCE & INDUSTRY, KAZAKHSTAN,

emphasised the need for young entrepreneurs to contribute towards the economy of Kazakhstan. She said that it usually takes twelve years for a Kazakh to be an accomplished manager, only after he or she is educated and has gained a Masters of Business Administration (MBA) abroad. Most young Kazakh entrepreneurs would usually have gained working experience in multinational companies through the Chamber of Commerce & Industry (CCI) and have been educated in European universities. Through CCI they would have gained knowledge, obtained training and learnt new languages in these companies.

The CCI established a programme that invites foreign experts to educate the basics of economics and business to young Kazakh entrepreneurs. Tatyana suggested creating a fund to sustain entrepreneurs, with the objective of improving skills and knowledge. For instance, in 1995, there was a need for engineers and new technologies especially those with an MBA background.

She concluded that **there should be trust between governments and businesses. If there is a beneficial professional relationship between both parties, only then will the government succeed in achieving its goals.**







7<sup>th</sup> WIEF

АСТАНА, ҚАЗАҚСТАН  
7-9 МАУСЫМ 2011

АСТА  
7-9

ҚАБЫЛДАУШЫ  
ПРИНИМАЮЩАЯ  
HOSTED BY:



# Main Forum

8<sup>th</sup> - 9<sup>th</sup> June 2011

ШІ ДҮНИЕЖҮЗІЛІК ИСЛАМ ЭКОНОМИКАЛЫҚ  
ФОРУМЫНЫҢ РЕСМИ АШЫЛУ САЛТАНАТЫ

ЦЕРЕМОНИЯ ОФИЦИАЛЬНОГО ОТКРЫТИЯ  
8-ГО ВСЕМИРНОГО ИСЛАМСКОГО ЭКОНОМИЧЕСКОГО ФОРУМА

OFFICIAL OPENING CEREMONY OF THE  
8<sup>TH</sup> WORLD ISLAMIC ECONOMIC FORUM

JUNE 2011

ҒАЛАМДЫҚ ЭКОНОМИКА  
ӨЗАРА ҚАРЫМ-ҚАТЫНАС, БӘСЕКЕЛІ

ГЛОБАЛЬНОЕ ЭКОНОМИЧЕСКОЕ  
ВЗАИМООТНОШЕНИЕ, КОНКУРЕНЦИЯ

GLOBALISING GROWTH  
CONNECT, COMPETE, C

АСТАНА, КАЗАХСТАН  
7-9 ИЮНЯ 2011

ASTANA, KAZAKHSTAN  
7-9 JUNE 2011





# World Islamic Economic Forum

Globalising Growth: Connect, Compete, Collaborate

## Forum Day 1: Official Opening Ceremony



(From L to R) The Hon. Tun Musa Hitam, Chairman, WIEF Foundation; H.E. Prof. Dr Boediono, Vice President of Indonesia; H.E. Dato' Sri Najib Tun Abdul Razak, Prime Minister of Malaysia & Patron of the WIEF Foundation; H.E. Nursultan Nazarbayev, President of Kazakhstan; H.E. Ismail Omar Guelleh, President of Djibouti; H.E. Oqil Oqilov, Prime Minister of Tajikistan; H.E. Dr Ahmed Mohamed Ali Al Madani, President, Islamic Development Bank (IDB).

THE HON. TUN MUSA HITAM, CHAIRMAN, WIEF FOUNDATION, warmly greeted all heads of state and delegates to the 7th World Islamic Economic Forum (WIEF). On behalf of the WIEF and participants, he thanked the President of Kazakhstan, H.E. Nursultan Nazarbayev, and congratulated him for hosting the 7th WIEF. He pointed out that this beautiful country of Kazakhstan has experienced rapid growth since having achieved its Independence in 1991. In 1997, the President made a bold decision to shift the capital city from Almaty to Astana,

and within that short period of time, Kazakhstan has managed to utilise its rich resources toward good use. Kazakhstan has sent scores of men and women across the globe in pursuit of education; this shows the high level of commitment they have in developing their own people into true players of the economy. At the same time, Kazakhstan has opened its doors to the outside world despite great odds and he commended Kazakhstan for truly emerging in the world with its rapid economic development.



The Hon. Tun Musa Hitam, Chairman, WIEF Foundation.

He stated that we are part of history in the making of a global economy, as we are witnessing a seismic shift in global demographics. **After centuries of passivity, the world is now observing a resurrection of the Silk Road and increased trade connections between different regions of Southeast Asia, the Middle East, Africa and Central Asia – and also the coming together of its peoples and with it a greater understanding of its cultures and religions.** By its very nature, the WIEF is therefore the most important platform under a common agenda of business and in doing so, opens its doors to others within the Muslim countries in particular and to the whole world in general.

Tun Musa Hitam emphasised that the WIEF is different, as it upholds the business agenda – and only business – making it a point to solve the world's problems through economic means. However, he noted that this does not stop there, as it also makes sense for the Forum to establish points of action. For example, a small number of students representing a modest beginning has been given a chance to improve their careers through the WIEF Internship Programme. Countries as far as Kenya, Somalia, Sudan,

Uganda, Sri Lanka, South Africa, Indonesia, and Uzbekistan are all part of the process. At the WIEF, a limited number of women professionals and entrepreneurs were given opportunities to connect with their counterparts in others parts of the world. They connect, form friendships and acquire new skills and knowledge – all part of the Women's Entrepreneur Workshop series.

Tun Musa Hitam highlighted that the WIEF also initiated the Marketplace of Creative Arts Series, where young budding artists are given a chance to develop their careers in the industry. Three Marketplace gatherings of young artists have already taken place; including the one that would be taking place in Astana at the current Forum.

Before concluding, he expressed his heartfelt thanks to the President, Government, and people of Kazakhstan for their hospitality in hosting the 7th WIEF. He concluded by hoping that the 'Spirit of Astana' as contained in the theme of 'Globalising Growth: Connect, Compete, Collaborate' would spread far and wide, enabling the WIEF to grow steadily and progressively, especially in dedication to the Ummah. He finally thanked the WIEF Secretariat – Kazakh, Malaysian and others – for ensuring the success of the Forum, and invited all present including corporations and individuals, to spread the word, and to be continually part of the exciting journey towards global change and harmony.

H.E. DATO' SRI NAJIB TUN ABDUL RAZAK, PRIME MINISTER OF MALAYSIA & PATRON OF THE WIEF FOUNDATION, greeted Kazakhs in their native language and thanked H.E. Nursultan Nazarbayev, the President of Kazakhstan, for his excellent hospitality. He expressed how at home he felt in the country, attributing it to the President's warm hospitality and the fact that Astana and Putrajaya (the administrative capital of Malaysia) share many things in common. In the 6th WIEF, H.E. Dato' Sri Najib had expressed his interest in food and energy security, education and the halal industry, and these are issues he hoped would still be discussed in the Forum.

However, he preferred to focus on an issue of great importance, namely good governance and its impact on government, national economic growth and the well-being of the Ummah, as these principles of good governance would be central in the efforts to globalise growth, which is the theme and focus of the Forum.

## Forum Day 1: Official Opening Ceremony



H.E. Dato' Sri Najib Tun Abdul Razak, Prime Minister of Malaysia & Patron of the WIEF Foundation.

Referring to the World Bank projections, H.E. Dato' Sri Najib stated that the global economy is expected to grow at 3.3% in 2011 and 3.6% in 2012. The distribution of global wealth, however, remains inequitable. The average Gross Domestic Product (GDP) growth for Muslim countries as a whole was only 2.1% in 2009, a relatively low growth-rate that is further compounded by unequal development and inequitable growth and income within the Muslim countries themselves. The Organisation of the Islamic Conference (OIC) member countries suffer from the triple income gap, a gap not only with the rest of the world but between nations of the OIC itself and within each member country. It is salutary to note that in terms of the ease of doing business and business regulations Saudi Arabia, Malaysia, Bahrain and the United Arab Emirates were the only Muslim countries reported in the World Bank to have reforms within the top 40 positions.

H.E. Dato' Sri Najib congratulated the Republic of Kazakhstan for being named the country that has done the most in improving business regulations last year, he also highly commended Indonesia and Brunei for their efforts. The study showed that where business is transparent and efficient, opportunities are less likely to be based on personal connections or special privileges.

This means that more economic activity is likely to take place and in an open climate. He emphasised that the need to globalise growth and sustainable development, generate new economic activities, overcome mass unemployment, alleviate poverty, and ensure fair and equitable distribution of income remains paramount if we are to create economic justice for the people.

In struggling to achieve these goals, H.E. Dato' Sri Najib stressed on the importance of focusing on issues of transparency and accountability, which is crucial for economic success in facing these challenges. Some OIC countries encounter serious challenges with no solutions in sight, and countries with resources and the potential for growth and development suddenly experience economic decline; and when this happens, it is the Ummah and the poor who suffer most of all.

Good governance is not the only answer to the complexities the world faces but the guiding principles of openness, honesty and transparency are essential; people want to have faith that their leaders are working not for themselves but striving to uplift the whole economy. He posited that good governance should come naturally to Muslim nations, since it is part of Muslims' heritage, citing the incident where Ali Abi Talib, the fourth Caliph, told Malik al-Ashtar, the new governor of Egypt that 'his administration would only succeed if he governs with concern for equity, justice and the prosperity of all including women'. He stated that such attitudes are not the preserve of Western democracies, but these principles also act in line with Qur'anic teaching. However, he acknowledged the challenge of applying Ali's thought to the modern world unbridled by political competition, inadequate rules and regulations, admitting that good governance is easier said than done. The fear of God can do little to assure adherence to the principles of integrity.

He argued then that it is up to political leaders to show resolve, political will and the commitment to do what is right, correct corruption and abuses of power from society. If a government is to flourish, especially if the interests of the people and the youth are to be met, new approaches and economic models must be developed.

He highlighted the Malaysian government's efforts in embarking on a series of adjustments and economic initiatives to emphasise the competitiveness of the country. Numerous measures have been initiated to instil good values, integrity, good conduct, and combating corruption in all sectors. He gave several examples of this in his home country, Malaysia, such as the introduction of the Whistleblower Protection Act, Integrity Plan, Key Performance Indicators (KPIs) for the civil service, the establishment of the Institute of Integrity, and the National Human Rights Commission, all of which are making a real difference in everyday life. H.E. Dato' Sri Najib said that the Malaysian government welcomes views from within its own institutions, religious organisations, media, minority groups and business, pursued in the context of the theme 'IMalaysia: People First, Performance Now'. They also introduced an Economic Transformation Plan and a New Economic Model, under which the country has a clear roadmap that would help it achieve its vision to turn Malaysia into a high-income country.

He advocated that the responsibility of applying these principles cannot be dependent on government alone. Without the full engagement and participation of the private sector, efforts would not go far and called for close collaboration between the government, private sector, and NGOs to assure openness and honesty would extend beyond boundaries. He concluded that indeed, **the WIEF is the ideal forum to create awareness, develop new and innovative ideas, to ensure the principles of good governance are widely disseminated and put into practice by people, businesses, and leaders as a whole.** The promotion of these principles must become an ongoing process, a journey that never ends, until good governance becomes the mainstream value of all Muslim nations. The economies of these countries would then continue to grow, and societies would become more equitable.

**H.E. NURSULTAN NAZARBAYEV, PRESIDENT OF KAZAKHSTAN**, officially opened the 7th World Islamic Economic Forum, by welcoming distinguished guests from all over the world. He expressed pride that the Muslim World's entrepreneurial and political worlds are coming together on the eve of the OIC, which Kazakhstan is chairing. He thanked the Hon. Tun Musa Hitam, Chairman of the WIEF Foundation and said that in the heart of Central Asia, Kazakhstan has welcomed

more than 10,000 guests recently, having hosted the 20th Annual Meeting of the European Bank for Reconstruction and Development (EBRD) in Astana in May 2011.

The President remarked that the people of Kazakhstan have for ages, been part of the Muslim World, with Islam having arrived in the country more than 1000 years ago. Because of this historical heritage, he argues that Kazakhstan is a land designed uniquely to facilitate dialogue between the Muslim and Western nations.

However, the Ummah is facing numerous challenges in the 21st century, such as the global financial crisis, sustainable development, and problems with the youth, which have caused unprecedented upheavals in North Africa and other countries. Currently, the Islamic World encompasses 1.5 billion people, and although these countries share common roots, its community is made up of different geographic categories, with different developmental models and communities.



H.E. Nursultan Nazarbayev, President of Kazakhstan.



## Forum Day 1: Official Opening Ceremony



Seen at the centre is Dariga Nazarbayev, daughter of H.E. Nursultan Nazarbayev, President of Kazakhstan, sitting amongst forum panellists and delegates.

To deal with these problems, he espoused for the modernisation of Islam, not by simply copying existing modern institutions, but by deeply understanding the fundamentals of the religion, which places central importance on the pursuit of modernity. Islam as a religion is not experiencing any kind of crisis. It is one of the most dynamic religions of the modern-day world. Crisis is only experienced by some regions of the Islamic community.

H.E. Nazarbayev lamented the fact that there is no country in the G8 representing the Ummah. In addition, he questioned the number of Muslim universities considered as the top leading institutes in the world and the number of Nobel Prize winners in science and technology from the Muslim World. He decried the notion that some critics of Islam have – that the majority of Muslim countries are falling behind because of the religion itself – attesting that there is nothing further from the truth. Furthermore, it is the Muslim World that gave the greatest achievements in astronomy, math, culture, art, and even the culture of tolerance.

The world of Islam, he said, is going through a period of difficulty, with serious political turmoil, social and economic problems. He emphasised that international media tends to demonise Islam, where it is shown as a religion endorsing political violence and terrorism. However, based on what took place in the 1960s and 1970s, it is clear to him that political terrorism takes place regardless of religion; he pointed out that thousands are killed in the Muslim World every year, and that terrorism is a product of very specific forces with specific purposes.

Historically, he elaborated that terrorism is associated with international crime, arms and drugs smuggling, with geopolitical roots as well. He stressed the importance of working together to build Islam as a religion of peace, justice and tolerance. He called on Muslim leaders to embark on a major media project of Islamic countries to stand together against the criticisms of Islam, in an attempt to project a more accurate and reflective version of what Islam actually is.

H.E. Nazarbayev predicted that the infrastructure of the modern world will change, and due to the increasing importance of cultural capital, the economy

of knowledge and soft power would be the real indications of a nation's power. It is obvious that technology and good governance will become instruments of power in this world.

Nevertheless, Muslim nations are able to adequately respond to these challenges; it is this kind of modernisation model that will be significant in contributing to the Muslim Ummah. He proposed a series of initiatives:

1. Building a dialogue platform of a group of ten major Muslim economies and pooling the resources of the Ummah to form a massive financial pool for investment cooperation.
2. Bridging the technological gap, he proposed establishing an international innovation hub with the participation of OIC states who are interested.
3. In support of SMEs, he proposed convening a WIEF ad-hoc working group to discuss the creation of a special SME fund under the IDB to develop financial instruments to that end.
4. In terms of the availability of transport, logistic and communication arrangements; he invited the IDB to increase its involvement in Kazakhstan, Turkmenistan and Iran, especially in its railway which would stretch 900 km long and will have a major impact on economic integration.
5. Dealing with the food security consolidation within the OIC region by setting up a regional fund under the IDB.

H.E. Nazarbayev proudly reminded delegates of Kazakhstan's 20th anniversary of its Independence, and that it has overcome a major crisis within such a short period. Its strengths lie in its beautiful city of Astana, political stability, properly chosen economic strategy, and inter ethnic harmony. In terms of economic growth, its GDP has expanded 12 fold and reached USD 9000 per capita. Other achievements include the embarking of 300 projects with over USD 55 billion worth of investments; having attracted more than USD 120 billion since its Independence; and the building of a new university to increase human capital development for the country, and also sending scores of young people to the best universities around the world.

He then referred to the World Bank's Doing Business rating, in which Kazakhstan performed well and was the first among other post-Soviet states to adopt laws relating to Islamic banking. A striking example of Kazakhstan's advancement is holding the Chairmanship of the Organisation for Security and Cooperation in Europe (OSCE). These developments have attracted the world to Central Asia, and he announced that Kazakhstan would prove that as a predominantly Muslim nation it would be taking major strides in economic reform. He concluded by wishing the Forum an absolute success.

H.E. ISMAIL OMAR GUELLEH, PRESIDENT OF DJIBOUTI, thanked the Government of Kazakhstan for its invitation to speak at the Forum, stating that the Forum comes at an appropriate time when the world needs to reflect upon the changing economic and demographic realities. The member countries of the OIC have a significant role in reshaping the political, economic and financial order, as they are located in the world's fastest growing regions containing valuable materials required for the rest of the world. Today, more than ever, there exist opportunities to advance values and opinions,



H.E. Ismail Omar Guelleh, President of Djibouti.

## Forum Day 1: Official Opening Ceremony

achieving development based on the principles of sharing and justice between peoples. These trends require an approach of multilateral cooperation, dialogue and partnership.

The Ummah is facing significant challenges based on recent OIC reports, for example, 22 out of the 54 countries in Africa are vulnerable to food shortage and are struggling to provide basic infrastructure to their respective populations.

Muslim nations represent 22% of the world's population, but produce only 7.2% of the world's GDP, and only 10.47% of global trade. He stated upfront that Muslim nations would have to do better given their resources to achieve harmonious development.

Muslim nations should hope to contribute 20% of trade by 2015, he expressed his desire that Muslim nations should work towards this goal, which would also require economic cooperation. The Muslim community spans four continents, with enormous markets and potential, presenting great diversity which should be taken advantage of.

He proceeded to speak about Africa, where out of 57 OIC countries, 27 are African. As such, he said that Africa is now perceived as the continent of the future, which should achieve remarkable growth rates by 2015. The demographic realities are that there will be an emerging middle class with great purchasing power and a tremendous source for labour. For these reasons, investors are now looking towards Africa.

He then stated that Africa has understood this and wants to break away from a system that has kept the continent on the dependency of official development aid, which has singularly failed. In this context, it is necessary for countries in the OIC and developing countries to strengthen their economic cooperation and increase partnerships in strategic areas like energy, food security, and private sector financing.

His country, Djibouti, intends to diversify its partners and adopt a policy of opening up to the world to cope with the twin challenges of development and globalisation. They decided very early to optimise their comparative advantage, the most important of which is their geopolitical location that puts them at the crossroads within three continents on the active shipping route of the world. Djibouti depends on this cooperation, spirit of solidarity, and mutual assistance between countries within

the region. This is their response in the face of the multifaceted challenge of globalisation; no country can cope with solely on its own resources. He advocated that the objectives would be to simultaneously reduce poverty, achieve development, unite and ensure economic immunity in an increasingly integrated world.

### H.E. OQIL OQILOV, PRIME MINISTER OF

TAJIKISTAN, expressed his gratitude to the Government of Kazakhstan and the WIEF for the opportunity to participate in such an authoritative forum. The WIEF is one of the most widely known forums that give participating states the opportunities to increase trade and economic cooperation, he said, also noting the fact that the 7th Forum is taking place in Astana, one of the most beautiful cities in the world. He expressed his belief that an open dialogue would enable participants to discuss the pressing challenges such as economic development, and to put forward recommendations to improve international cooperation and ensure widespread economic integration. Countries at different levels and climates, and resource conditions, can be open to catastrophes like the global financial crisis which became an important test for the world community. The time has come to improve the countries' cooperation in trade in stimulating business and entrepreneurship on the regional and super-regional level.

The Prime Minister spoke about how Tajikistan has actively pursued a liberalisation policy and a deeper integration with all the countries around the world, this has improved their economic indicators and thereby lifted up their living standards. In an effort to meet the Millennium Development Goals (MDGs), they are working towards an economic strategy of 2015 and poverty development, which sets forth priorities to meet sustainable growth to facilitate basic social services and poverty alleviation.

The three strategies that Tajikistan is focusing on are energy and security; communication; and ensuring food security. These tasks are backed by several national programmes and are gradually implemented with the support of donor countries and financial institutions. They are implementing 56 national projects totalling USD 1.8 billion; in the areas of hydropower, transport and communication, industry and agriculture, and they are interested in cooperating with partners and international financial institutions (IFIs) to develop and implement projects that will have positive influence on the country.

Tajikistan is gradually developing energy potential, backed up with renewable resources, in addition to the construction of



H.E. Oqil Oqilov, Prime Minister of Tajikistan.

small and medium plants, they are also studying the usage of alternative sources of energy. The most promising is the implementation of a regional energy project, which would link power grids in Pakistan, Uzbekistan, Tajikistan, Kyrgyzstan and Kazakhstan. Another vital regional project is the construction of railways, transport corridors, and the removal of artificial barriers for transit. He concluded by expressing the hope that the WIEF would improve mechanisms of international Islamic cooperation in raising the quality of Muslims' lives and establishing more efficient means of economic cooperation.

H.E. PROF. DR BOEDIONO, VICE PRESIDENT OF INDONESIA, congratulated the Government and people of Kazakhstan and the WIEF for successfully organising the event. He said that H.E. Susilo Bambang Yudhoyono, President of Indonesia, sent his greetings to all present. Indonesia hosted the 5th WIEF in Jakarta and the President conveyed his regrets for not being able to attend the 7th WIEF in Kazakhstan.

Central Asia has played a historical role with its renowned Silk Road, and as an important centre of Islamic culture and history. For these reasons, the region will surely regain its historic

significance. The theme, 'Globalising Growth: Connect, Compete and Collaborate' is appropriate in addressing the challenges faced by the Islamic World. It is a fact that the challenges of globalisation are deepening and the ramifications are widening. At the same time, globalisation has also brought people, cultures, and countries closer together. It is becoming increasingly true that present-day challenges are transnational in nature, requiring transnational approaches and solutions.

The world has recently experienced a serious economic downturn and has not yet recovered. H.E. Dr Boediono stressed that we should take the opportunity to work together to address the challenges hampering our path to economic growth. Through these forums, we can identify measures to ensure economic growth is possible. Economic growth should be achieved in an equitable way that promotes a caring and sharing society as envisaged in Islam.

The three words in the Forum's theme: connect, compete and collaborate are key guidelines to the way forward. Enhanced connectivity among and within countries is crucial for growth through a better mobility of resources and efficiency, and at the same time a necessary step to narrow the differences between communities within individual countries. It is a priority to speed up development of infrastructure, which is an important element towards economic progress. Connectivity is part of Islamic teachings, where Muslims are taught to build relationships with Allah and their fellow human beings. It must also be recognised that globalisation entails competition; countries must be prepared to compete with the rest of the world. Competition needs to be fair, we must outdo adversaries with better quality, efficiency and prices – not with unfair business practices.

In the spirit of Islam, even fair competition must be tempered with collaboration and cooperation. **In a world faced with a multitude of challenges, partnerships are necessary, for no country has the capacity to solve them alone.** Islam is a blessing to the world, he stressed that Muslims' task for the world is not to focus purely on business – building solid partnerships amongst the Muslim communities must continue to be forged.

The WIEF's work is to establish greater connectivity among its participants; building on competitiveness, the Muslim countries present should work jointly, beyond trade, a greater collaboration must also be fostered on education, training,



## Forum Day 1: Official Opening Ceremony

culture, and technological development. Through the Forum's facilitation, countries should be able to connect, collaborate and expand to compete in a globalised market. He recommended that to make this annual forum more meaningful, it may be useful that each year the Forum reports the progress of the amount of trade and investment made by the participating countries. The Forum could also make practical recommendations on how to overcome hurdles that would hinder further progress. On behalf of the government and people of Indonesia, he wished the people of Kazakhstan thanks for their generous hospitality.

H.E. DR AHMED MOHAMED ALI AL MADANI, PRESIDENT, ISLAMIC DEVELOPMENT BANK (IDB), expressed his honour to be a participant at the 7th WIEF, and gave his sincere thanks to the President, Government and people of Kazakhstan for their excellent facilities and generous hospitality at the forum. He offered his heartiest congratulations to the 7th WIEF, which has now become a global and world-recognised event, a platform for deliberations with concrete actions on how best to address emerging challenges and



H.E. Prof. Dr Boediono, Vice President of Indonesia.

opportunities. The choice to hold the 7th WIEF in Astana, Kazakhstan was appropriate as the country is privileged with great resources and is contributing significantly to the emerging world and is playing a pivotal role in the development of the Central Asian region. The dynamic leadership of H.E. Nursultan Nazarbayev has allowed the social and economic policies to flourish for the benefit of the people of Kazakhstan. This leadership was clearly demonstrated during the economic slowdown in 2009, which was rapidly turned around with a growth rate of 7% in 2010.

The overarching theme of the 7th WIEF is 'Globalising Growth: Connect, Compete and Collaborate', and this is important and timely particularly for the OIC member countries. These three Cs coincide with the IDB group's three Rs focused on development: Resourcing, Relevance and Reaching out. On 'Connection and Resourcing', bridges can be built between nations and civilisations. 'Competition and Relevance' are important for growth and sustainable development, and this leads to 'Collaboration and Reaching Out' which are synonymous with partnership and regional integration, economic transactions across countries, cross-border technologies, activities which the IDB is involved with, and more than willing to make interventions.

Globalising growth of physical exchange and distant communication have been the source of diversity of civilisation.

The Qur'anic vision of globalisation is to develop for the benefit of all of humanity. Coexistence with all civilisations is a central tenet of Islamic beliefs and values; Allah teaches us to pursue dialogue with all mankind in the most gentle manner. The Islamic precepts that promote peaceful cultures are becoming the basis of a strategic global initiative to bring about peace, tolerance, and harmony among all civilisations around the world.

The IDB is not only a unique development bank, but a living example of collaboration and connectivity with all of humanity. Since its inception in 1975, it has been extending its assistance with member and non-member countries. In addition, its entities the ISEC, ICD, ITFC and IRTI are assisting member countries in globalising growth and strengthening their 3Cs – connect, compete and collaborate. The services offered by the IDB Group are wide-ranging in terms of human and infrastructural development activities. The development of Islamic Finance

across the board in member and non-member countries, the IDB is promoting this through establishing financial institutions and research and training by connecting with Islamic structures in countries around the world.

To assist economic progress, the IDB cooperates with all multilateral, bilateral, and UN agencies. Their central pillar is enhancing economic cooperation amongst member countries, through intra-trade and intra-investment flows. Reducing existing barriers and promoting implementation of cross-border initiatives would further enhance trade and investment, business enterprises in OIC member countries to grow globally.

He ended by expressing the hope that all those present would consider new ways of exploring the 3Cs in Islamic countries, and he congratulated the WIEF for innovating the Forum constantly, especially through the introduction of the Businesswomen and Young Leaders' Forum. The IDB, he said, looks forward to participating in the Forum's deliberations, for the benefit of the Ummah and the community at large. On behalf of the IDB, he warmly welcomed the proposals from the delegates, and committed that the IDB would study them accordingly as part of the Forum.



H.E. Dr. Ahmed Mohamed Ali Al Madani, President, Islamic Development Bank (IDB).



A gathering of minds after the Official Opening Ceremony.

# World Islamic Economic Forum Day 1

## Plenary 1: Leadership Dialogue

### Entrepreneurship as a Vehicle of Growth: A Roadmap to Success



**H.E. SHAUKAT AZIZ, FORMER PRIME MINISTER OF PAKISTAN**, the moderator for the session, began by discussing the role of entrepreneurship and the ways to develop it as part of the leadership dialogue. His Excellency addressed the audience with the theme of the Forum: 'Globalising Growth: Connect, Compete, Collaborate'.

He indicated that without connection, competition and collaboration would not be possible. The Organisation of the Islamic Conference (OIC) member countries have tremendous potential to become economic giants. People must work together and unleash entrepreneurship forces to create the right environment for the private sector to grow.

His Excellency then remarked that although dealing in businesses is not a governmental concern, the government must create an environment for businesses to flourish in. Entrepreneurship must be given attention. He remarked that H.E. President Nazarbayev has encouraged that a pilot project set up with the Islamic Development Bank (IDB) to stimulate contribution towards the entrepreneurial cause.

**H.E. DR ROS NURI SHAWELS, DEPUTY PRIME MINISTER OF IRAQ**, indicated that Iraq benefits from their natural oil and mineral resources despite losing out on social and economic opportunities. The country's authorities are seeking solutions towards alternative resources to further develop



H.E. Shaukat Aziz, former Prime Minister of Pakistan.

its capacity and overcome challenges. This is driven by the main intention to integrate Iraq into the global economy while improving its image to involve people in open development that would attract investments and improve lives. Among the strategies implemented are revisiting the country's political policies and strategic development. This includes rehabilitation and restoration of the economy; provision of free development to cease centralised planning management; and the development in economic relations and partnerships as well as good relations between the private and public sectors. Another strategy is for the country to be more involved in the privatisation and participation of major Muslim projects. In addition, Iraq intends to execute a plan to reform the financial sector and other sectors.

He remarked that the Government of Iraq, with support from the United Nations (UN), is undertaking specific actions to improve global perceptions towards the country's current situation and policy reform initiatives. The current initiatives implemented are:

1. Legislative changes to create a proper environment for other countries and investors to operate and invest in
2. Improve services and participation in project implementation

3. Development of multifaceted strategic plans to offer options to investors in developing their own businesses
4. Ensuring investors work and operate in peace
5. Improve the conditions and the consequences of sanctions introduced in the country

He concluded that the government will always support investments coming into Iraq and other upcoming initiatives to integrate the country into the global economy. He wished prosperity and progress to the Ummah and encouraged everyone to use all Islamic banking and finance opportunities available.

#### H.E. TUN ABDULLAH AHMAD BADAWI, FORMER PRIME MINISTER OF MALAYSIA,

expressed his satisfaction that the subject of entrepreneurship was being addressed in the current 7th WIEF. He remarked that this discussion is relevant to identify various issues, derive solutions and to provide pointers to countries on ways to improve the economy for the people. This is in addition to ensuring Islamic countries adopt entrepreneurship as an important tool towards progress.

He elaborated that the lack of entrepreneurial initiatives and entrepreneurs would impede a country's economic growth. According to the World Bank Report, Malaysia is ranked first among OIC countries in entrepreneurship, for its ease of facilitating business. He suggested that other Muslim countries turn to Malaysia as an exemplary model.

H.E. Tun Abdullah then proposed several ways to create a better world to advance the global economy. Countries must encourage entrepreneurs by providing easy access and opportunities in doing businesses. He proposed that the government must make it easy for entrepreneurs to obtain approvals. In addition, banks must be able to provide credit and human capital must be available and suitable. Universities and colleges should provide training for the skills required to increase involvement in businesses, improve the economy, and stimulate a country's development.

He firmly believed that entrepreneurship can develop economic growth and fulfil the society's social needs. In Malaysia, Corporate Responsibility (CR) is utilised to assist poor communities in areas such as education and healthcare. He then remarked that the government would obtain less revenue due to insufficient participation and contribution of learned, experienced and profitable entrepreneurs in business.





H.E. Tun Abdullah Ahmad Badawi, former Prime Minister of Malaysia.

He concluded by emphasising the relevance of the Forum's topic, which is for other countries to learn how entrepreneurship can move ahead for the benefit of the national economy and its people, especially the poor.

**H.E. FUAD SINIORA, FORMER PRIME MINISTER OF LEBANON**, supported the need to address entrepreneurship at this year's WIEF, as it is becoming widely known and appreciated for its innovative feat. He noted that entrepreneurship contributes to the social and economic development of any country regardless of political and social factors. He stated that growth led by the private sector is sustainable. **Hundreds of years of civilisation have demonstrated that the private sector carries the burden of growth in any economy, and is better at efficiently allocating resources with the exception of providing public good.**

H.E. Fuad implied that the importance of the state is to create the necessary regulations and ensure that rules and laws are respected and fairly applied to everyone. He emphasised the need for the state to create a conducive environment for

businesses to expand and move forth without any barriers; easy entry and exit access would diversify investments in any country.

He acknowledged Lebanon as an exemplary regional model in upholding the entrepreneurial spirit and contribution of its people, domestically and abroad. He supported his stand by alluding to the dynamic private sectors and the global success stories of some well-known companies in the business world. Lebanese expats constitute approximately three times the size of the Lebanese population worldwide with the majority being entrepreneurs of small, medium and large enterprises.

In this address, he stressed that entrepreneurial spirit and private sector leadership have lifted Lebanon up, especially in times when the government was unsuccessful in executing growth and development. Fortunately, despite its political divisions, the belief in a vibrant and dynamic private sector is deeply rooted in the Lebanese culture and mind. It is positive to note that an entrepreneurial spirit remains the lifeboat of stormy local and regional political conditions; and in Lebanon, entrepreneurship and private property policies are protected by the constitution.

He further commented on the development arising in the Arab world, where convergence of private business and free enterprise



H.E. Fuad Siniora, former Prime Minister of Lebanon.

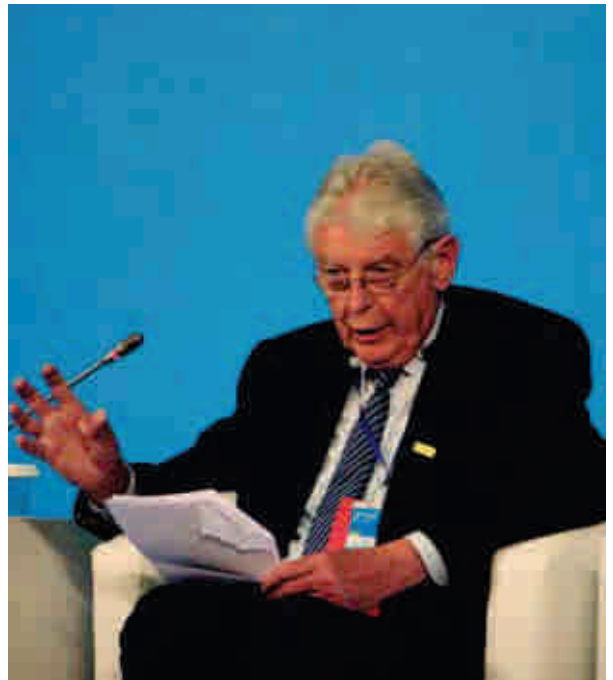
system has led to the deprivation of great transparency and success. He feared that people would accuse private enterprises as the problem, when the actually culprit lies in the way things were being done.

H.E. Fuad concluded his speech by outlining several proposals for the state that will allow an ideal environment for entrepreneurs to meet, set objectives, and obtain growth and prosperity. Firstly, while the government is in control of basic productive factors in the economy, the state must create the necessary regulations to prevent misperception and further enhance any faulty systems. Secondly, the state must provide the proper incentives to the private sector for entrepreneurship to play its proper role towards economic growth. Finally, the state must play a role in regulations. Governmental monopoly should prevail over the private sector to create better business environment with no barriers but fair and equal treatment to everyone.

**H.E. WIM KOK, FORMER PRIME MINISTER OF NETHERLANDS**, initiated his speech by acknowledging that the Netherlands is known as a country with an open economy and people with an open mindset. Entrepreneurship is recognised as a vehicle for growth, alongside social inclusion as the goal. His Excellency related his experience as a European Social Democrat engaged in the entrepreneurship theme for over half a century.

In his perspective, **the most entrepreneurial and successful societies would embrace the collaboration of the government, companies and civil societies for the common good within local region and across borders**. He then presented their respective roles in building a sustainable future. The government is responsible to:

1. Maintain the right balance of economic growth, social cohesion and environment sustainability
2. Maximise opportunities built upon modern politics and not based on only symbols and flags for its people
3. Build a knowledge-based economy through education, research, and innovation for productivity, diverse economy and societal well-being
4. Invest in education, digital learning, and training for society to acquire required skills to compete successfully in the global arena



H.E. Wim Kok, former Prime Minister of Netherlands.

5. Foster public-private innovative partnership with companies, universities and research institutes
6. Create a good investment climate through predictable and transparent fiscal systems, contracts sanctity, and good governance with check and balances against abusive power, investments in governmental infrastructure, and development of financial sector; and
7. Create proper set of frameworks and conditions to create opportunities for the people

Companies are responsible to: (1) Attract and bring in foreign investments and technology with an open door policy; (2) Develop international partnerships for the emergence of local supply chains, whereby more skills and capabilities will give way to more jobs and innovation; (3) Develop skills and train people directly so they can take on leadership positions

On discussing the role of civil society in building a sustainable future, H.E. Wim Kok stated that painful reforms are sometimes necessary for a country to stay on sustainable growth path. He advised that citizens of the country must all work together even in areas where there might be disagreements. To emerge successfully in this era of modern politics, he narrated that the events in the Middle East and Africa demonstrated that improved politics is the way forward. He emphasised that we

## Forum Day 1: Plenary 1

must focus on what connects us as human beings rather than what separates us, and this can also be applied to religion.

H.E. DR MOHAMMED ABU HAMMOUR, MINISTER OF FINANCE, JORDAN, addressed several facts on the Islamic World and how they are relevant to facilitate job creation through growth. He indicated that the Islamic World should generate at least 110 million new jobs by 2020 to maintain a low unemployment rate; and the Arab world should generate no less than 5 million new jobs to match the labour supply. Muslims make up one-fifth of the world's population, producing approximately 7% of the world's GDP and less than 10.5% of international trade.

He remarked that Jordan is equipped with natural and human resources, great investment opportunities and strong competitive advantage in Islamic banking. However, since the government is unable to provide jobs for everyone, H.E. Dr Mohammed encouraged then that the government, together with the private sector, NGOs, civil society and donors should work together to create jobs and provide roles for entrepreneurs. To create an attractive investment environment – invest in human capital through education, create a culture of a well-trained generation, mobilise the financing of Small and Medium Enterprises (SMEs), and train entrepreneurs to be equipped with risk mitigating skills.

He indicated that the role of the government should no longer be a direct player in the economy, but act as a regulator. The 'big government' model of the Islamic World is an inefficient one. Such transformation initiatives can be achieved through the active role of the private sector as an incubator for entrepreneurs. The sector should be free to mobilise financing for SMEs and become mentors, trainers, and facilitators for young entrepreneurs. It can also open up new markets and ventures abroad such as creating new companies or expanding existing ones.

He remarked that although Jordan is a small country that is prone to external shock effects – it generates big ideas and can advance with reforms. The pull factors for investments into Jordan are the country's currently growing population of 6



H.E. Dr Mohammed Abu Hammour, Minister of Finance, Jordan.

million people and the ease of allowing trade in exports to the US market, and European and Arab countries. This enables Jordan to cater to more than 1.3 billion customers worldwide; he added that the country is continually attracting more foreign direct investments (FDIs).

Among Jordan's attempts to encourage entrepreneurs include: (1) Reduction in the minimum capital required to open business from 30000 JD to 1000 JD and 1 JD; and subsequent exemption on all SMEs from taxes; (2) Establishment of funds for SMEs with loan guarantee; (3) Creation of graduate employment programmes to encourage private sector to hire new graduates by offering salary subsidy and (4) Establishment of credit bureaus.

Everyone must work together to reduce social and economic inequalities within their respective countries. He advised that people should not wait for tomorrow to come, but rather efforts to contribute should be made today.

H.E. MARIA EDILEUZA FONTENELLE REIS, VICE MINISTER OF EXTERNAL RELATION OF BRAZIL AND SPECIAL ENVOY OF THE PRESIDENT OF BRAZIL, informed that she was pleased to participate in the

event since Brazil shares many characteristics and important historical and cultural ties with Arab and Islamic countries.

In Brazil, 14 million people are of Arab origin and about 1 million are Muslim citizens. The country has an open society with a population that coexists with different nationalities. In this regard, the country hosted the Third Summit of the Alliance of Civilization in 2010; and is highly engaged in the promotion of dialogue, tolerance and cooperation – locally and internationally.

In relation to entrepreneurship, she noted that Brazil has formed a society characterised by creativity and flexibility to allow adaptability and dynamism. She noted the Brazil's initiative to organise the first summit between South America and the Arab countries in 2006, as an interesting example of entrepreneurial support by the government. It stimulated cultural ties and increased trade relations considerably.

She then spoke on the reduction of poverty and asymmetries, noting that Brazil is exemplary in its capability to reduce internal asymmetries as it has lifted approximately 30 million people from poverty. Such feats enabled Brazil to overcome the effects of the global financial crisis. In 2010, the country's economic growth of 7% illustrated the country's advantage in reduction of internal and external economic asymmetries.

In addressing food security, she quoted some of Brazil's initiatives in this area including the institution of a Public and Private Partnership (PPP) enterprise dedicated to research and agriculture. Technological development has enabled the country to produce more in a shorter period of time, hence improving the entire agricultural productivity in Brazil. The country has built its presence in Africa and is responsible for several important development projects of agriculture in Ghana, Mali, Mozambique and many other countries in Latin America and Asia.

For climate change, she addressed the concerns related to climate change as well as in combating its defects. She stated that the green economy is an untapped area to discover, and the country is open to explore this with its technology. Representing the 7th largest country in the world in size, she indicated that Brazil is willing to connect and collaborate with Islamic countries for the benefit of people worldwide.

### H.E. OMURBEK BABANOV, FIRST VICE PRIME MINISTER OF KYRGYZSTAN,

remarked that the Forum is taking place amidst difficult economic and political times caused by the arising risks that have direct implications on economic development at the regional and national levels.



Forum attendees listening to the dialogue session on stage.



## Forum Day 1: Plenary 1

He pointed out that the global economic crisis is only one of many instabilities caused by economic difficulties. He believes that the development and expansion of Islamic Finance will contribute positively to economic growth and lift living standards of the population at large. He then cited that the world is in critical need of new ideas for economic transformation in order to keep in line with the world economic development curve. He proposed that this is possible with integration, development of multi-level strategic cooperation and increasing the role of Islamic countries.

The objective of the session is to come up with actionable proposals or a roadmap towards achieving success through fostering entrepreneurship within countries. Experience has shown that economic problems in one country will affect neighbouring countries. He further implied that Kyrgyzstan is an open economy that has suffered from the impact of the global economic crisis. Moreover, the country is interested in attracting investments alongside its huge potential in Hydroelectric Power (HEP), mining, tourism and agriculture.



H.E. Maria Edileuza Fontenelle Reis, Vice Minister of External Relations of Brazil and Special Envoy of the President of Brazil.

H.E. Omurbek then presented several key areas that are inherent for SMEs growth and economic development in Kyrgyzstan:

### 1. Development of transportation infrastructure.

Implementation of regional projects including development of railroad lines across China-Kyrgyzstan-Uzbekistan and China-Kyrgyzstan-Tajikistan-Afghanistan will impose a multiplier effect on regional economic development. The participating countries will feel tangible effects in the form of higher trade and international trade, and increased investment.

### 2. Support for the Islamic Finance industry.

Implementation of Islamic Finance principles is new to the country and its development is vital as a measure of improving competitiveness and financial attractiveness. In 2009, new laws and legal framework were introduced and old ones were amended to support the promotion of Islamic banking and finance in Kyrgyzstan. This is signified by the Memorandum of Understanding (MOU) signed between the Republic of Kyrgyzstan and the Islamic Development Bank (IDB), setting pilot projects in the pipeline, toward positioning Kyrgyzstan's capital as the Islamic financial hub in Central Asia.

### 3. Look into projects to introduce Takaful (Islamic insurance) and establish an Islamic securities market, i.e. Sukuk with participation of commercial banks.

Kyrgyzstan is experiencing a boom in the Halal industry to improve competitiveness in the banking market and to stimulate further growth of Islamic financial services. He invited the audience and members of the global financial industry to implement principles in Islamic insurance and Islamic securities aligned with the Shariah.

### 4. Encourage new level of partnership and increase trade volumes for Islamic Finance development.

Islamic finance will benefit Kyrgyzstan and other Islamic countries worldwide. Kyrgyzstan will ensure necessary regulatory networks are in place to harmonise and ensure halal standards, and promote tolerance in cross-cultural exchanges.

He then stated that Kyrgyzstan will remain dynamic in Central Asia, as it is surrounded by fast-emerging economies of India, China and Russia. With its huge mineral bounty, the country is able to attract FDIs from Islamic countries. The use of the untapped economic and financial potential of Islam will enable Kyrgyzstan to develop its HEP, mining, agriculture, and production of most demanded foodstuff in compliance with Halal standards. In light of this, H.E. Omurbek expressed that we must pay close attention to developing a platform to allow SME involvement. He believes that Islamic Finance will go a long way towards solving problems in funding SMEs in Central Asia.

On the basis of collaboration and development, he advised that the common approaches are executed to address problems, ensure prosperity of the people and improve Islamic countries' authority as a source of stability and social fairness for economic prosperity. He believed that sharing experiences and best practices, and disseminating Islamic products and services will guarantee that ancestors' traditions are followed. He concluded by stating his support of the Forum, saying "What we know, must be shared with others and what we do not know, we must take from others."



H.E. Omurbek Babanov, First Vice Prime Minister of Kyrgyzstan.



Former leaders on stage during the panel discussion on entrepreneurship.

# World Islamic Economic Forum Day 1

## Plenary 2:

### Islamic Banking and Finance in Emerging Markets: Seizing Opportunities, Overcoming Challenges



DATUK MOHAMED AZAHARI MOHAMED KAMIL, CHIEF EXECUTIVE OFFICER, ASIAN FINANCE BANK, MALAYSIA, moderated the session. He spoke of how the recent financial crisis affected the livelihood of many throughout the globe, and it was time to review the economy and financial paradigms, and to shift from excessive risk-taking, towards ethical and socially responsible investment. The 30-year growth of Islamic Finance presents certain challenges, which include lack of product diversification and over-reliance on real estate as an asset class. The relevant authorities need

to regulate Islamic financial institutions fairly and efficiently to ensure prudential supervision. He said **it is imperative for Islamic Finance to focus on adding value, creativity, innovation and competitiveness to attract untapped markets.** The issue of human capital development is very critical. Fundamental changes in the financial landscape and more complex needs of discerning markets requires greater attention and action to develop talent and ensure effective participation, engagement and performance in this new game plan.

Datuk Mohamed Azahari stated that the right political will is crucial in promoting Islamic Finance. Each emerging market has its own issues and challenges, however strong passion and determination will be the driving force in establishing a successful Islamic financial system.

Datuk Mohamed Azahari stated that while developing Islamic Finance is not an easy task, everyone, especially the regulators, practitioners and Shariah scholars must work actively together. With such cooperation, in terms of framework and structure, Islamic Finance can truly move forward. He concluded by saying that we must welcome challenges because they represent opportunities to improve products and services in order to cater to the needs of the consumer market.

HRH RAJA DR NAZRIN SHAH IBNI SULTAN AZLAN MUHIBBUDDIN SHAH, FINANCIAL AMBASSADOR, MALAYSIA INTERNATIONAL ISLAMIC FINANCIAL CENTRE (MIFC), CROWN PRINCE OF THE STATE OF PERAK, MALAYSIA, congratulated the Government and the people of Kazakhstan, the WIEF Foundation and its Chairman, Tun Musa Hitam, for organising the 7th WIEF.

His Royal Highness mentioned that the disillusionment and disenchantment with the world of finance in the aftermath of the global financial crisis makes independent views of passionate supporters of Islamic Finance highly sought after. He highlighted the progress of the Islamic Finance industry so far, some of the challenges it faced, as well as some thoughts on how Islamic Finance could move forward, with particular attention to its emerging markets.

Before the inception of the Islamic Finance industry, there was a market failure in the conventional financial system, as there was substantial unmet demand for Shariah-compliant financial products. Since the 1960s, Muslim scholars, advocating the development of an Islamic financial system, emphasised the rejection of *riba*-based contracts and their replacements with risk-sharing contracts. His Royal Highness said that industry pioneers were interested in creating a system that catered to the needs of Muslims through the introduction of Shariah-based financing – for various purposes including home ownership, pilgrimage and *Takaful*. The essential function of such a financial system is to spread risk among market participants, rather than allowing the risk to concentrate among the borrowing class.

Conventional finance is a benchmark for Islamic Finance and as a result: the products of Islamic Finance are merely conventional (*riba*-based) products that were subjected to replicating, retrofitting and reverse engineering for Shariah compatibility. This process, initially, was instrumental in sustaining the Islamic Finance industry's early progress and development.

### From retail to high finance

HRH Raja Dr Nazrin Shah highlighted Islamic Finance's success in mobilising previously untapped funds. Islamic Finance quickly matured beyond providing simple retail banking facilities, towards more sophisticated investment products, and it can be said that this occurred as a matter of necessity. The success of Islamic financial institutions, in mobilising retail savings, naturally led to a substantial demand for large ticket Shariah-compliant investments. This demand was given a further boost by the increasing oil wealth and the birth of large sovereign wealth funds in Muslim countries. His Royal Highness said this new-found liquidity brought Islamic Finance to the attention of international borrowers, who realised that Islamic financial institutions with sizeable funds had limited options because of their inability to invest in conventional debt instruments. This surplus liquidity was unlocked mainly through large-scale Sukuk issuances. Conventional financial institutions have become major players in this new arena, and thus the wholesale segment of the market continued to expand with the introduction of more innovative Sukuk products.

### The challenge of 'financialisation'

Just as conventional finance is said to have migrated from 'Main Street' to 'Wall Street' in developed markets, it can be said that Islamic Finance is gradually moving from the realm of retail finance into the world of high finance. Arguably, in this context, Islamic Finance is becoming more exposed to the risks of 'financialisation'.

Since the 1980s, the global financial sector has grown at a far more rapid pace than other segments of the global economy. The ratio of global trading on foreign exchange to the value of trade in goods and services was estimated to be at only 11 times in 1980, but was estimated at 73 times in 2009. The increasing 'financialisation' of economies is generally perceived to be a major source of instability, not least, due to the vulnerabilities caused by over-leveraging. His Royal Highness said that the real risks of 'financialisation' are derived from a decoupling of global





HRH Raja Dr Nazrin Shah Ibni Sultan Azlan Muhibbuddin Shah, Financial Ambassador, Malaysia International Islamic Financial Centre (MIFC), Crown Prince of the State of Perak, Malaysia

finance from the real economy. If substantial profit can be made from financial transactions over the short term, then the willingness to commit capital and labour into the real economy over the long-term will be weakened. The focus on short-term profits creates incentives to indulge in speculative trading. Furthermore, excessive speculation harms the capital formation process, thus ultimately reducing the potential for long-term economic growth.

HRH Raja Dr Nazrin Shah highlighted the fact that although Islamic Finance has escaped relatively unscathed from the full onslaught of the global financial crisis, it is by no means insulated from the elements that wreaked havoc in the conventional financial system. As interest and demand for Islamic Finance grows, emerging markets can expedite the development of their respective Islamic financial systems by learning from the experience of others. However, imitating structures that have been devised in the name of financial innovation and sophistication could ultimately make it even more difficult to distinguish between real production and financial sophistry. One cannot help but notice how contemporary Islamic Finance is becoming even more disengaged from its socio-economic aspects, and this threatens to dilute the true essence of Islamic Finance. The roots of Islamic Finance stem from the principles of Shariah, and as such simply replicating the framework of conventional finance is an inadequate approach to developing Islamic Finance. Different risks require different approaches.

To develop a strong and sustainable Islamic Finance industry, financial engineering and financial innovation on their own will not be sufficient. It is important to always be reminded that an Islamic financial system is one based on real assets, and the financial sector can only expand in tandem with the growth of the real economy. In this way, a virtuous cycle of economic and financial development provides the foundation for sustainable growth.

### From a Shariah-compliant to a Shariah-based Islamic financial system

There is a dire need to extend the focus of developmental efforts in Islamic Finance beyond the legal form and towards the economic substance of financial transactions. This would mean moving beyond the path of adaptation and compliance and towards approaches that will strengthen the nexus between Islamic Finance and the real economy. The strength of Islamic Finance is rooted in a philosophy that favours the

apportionment of risk between the provider of capital and the entrepreneur – thereby encouraging entrepreneurship and the creation of real economic wealth. Islamic Finance – which has at its core pillars social justice and equity – can and should do more to meet the needs of the poor and the marginalised.

His Royal Highness expounded on the many opportunities for strengthening Islamic Finance and bringing it closer to achieving the ideals of Islam for a more just and equitable society, among others:

1. There is a need for intensified efforts to promote financial inclusiveness in Muslim countries – global coordination is required to promote savings mobilisation and develop financial intermediation in markets where they are currently lacking.
2. To channel savings into investments that create businesses and jobs – there are opportunities to promote greater capital flow from surplus Muslim countries to deficit Muslim countries.
3. There is great need for research and development to create arrangements and structures that foster socio-economic improvement – innovation in these arrangements of products should facilitate private sector participation to complement government efforts in growing the economy.

On a concluding note, HRH Raja Dr Nazrin Shah related his keynote address with an example of the Malaysian case. Recently in Malaysia, the Second Capital Market Masterplan was launched. This Masterplan charts the developmental path of the Malaysian capital market for the next 10 years, and emphasises socially responsible financing and investment. His Royal Highness said priority will be given to nurturing Islamic fund management services such as venture capital and private equity – which invest on the basis of risk-sharing principles and social responsibility. The Islamic fund management industry is thus expected to develop more products that reflect the ethical standards and value propositions of Islamic Finance. As the Islamic Finance industry advances in emerging markets, it is imperative that its developmental perspective be given greater emphasis to fully embrace and reflect the link between Islamic Finance and societal needs. It is up to regulators and practitioners to fully harness this opportunity for the betterment of the people in emerging economies and the Ummah as a whole.

MR AMER BUKVIC, CHIEF EXECUTIVE OFFICER, BOSNA BANK INTERNATIONAL, BOSNIA AND HERZEGOVINA, began his speech by inviting the audience to take a closer look at the recent financial crisis, which has transformed Islamic banking into a model popularly discussed and even referred to by the Pope as a possible solution to the financial crisis. He remarked on Islamic banking's ability to bring about



A delegate asking questions from the floor during the discussion on Islamic banking and finance.

## Forum Day 1: Plenary 2

stability to economic and financial systems – as it ensures that credit expansion grows in tandem with the real economy. For stability purposes Islamic banking puts strong emphasis on increasing proportion of equity in total financing and risk-taking; ensuring that the credit liabilities do not exceed the ability of the borrower to repay; full transparency on the quality of collateralised debt obligations; and ensuring that derivatives do not become instruments of gambling.

Amer also noted that in some societies – such as in Bosnia – when there is difficulty in implementing Islamic banking regulations, the overlaps between Islamic banking and the conventional banking legal frameworks enable the establishment of Islamic banking. These overlaps will expand as the conventional banking system becomes a more regulated one. In Bosnia currently, where the Islamic banking legal framework is non-existent, the financial services offered are comparable to that of most Islamic banks.



Mr Yerlan Baidaulet, Chairman, Kazakh Association for Development of Islamic Finance & Chief Economic Adviser, Ministry of Industry and New Technologies, Kazakhstan

He then encouraged regulators to be more proactive, accommodating and not rigid, in order to enable reforms for creating a level playing field between Islamic and conventional banks.

To conclude, Amer suggested that in countries lacking proper Islamic banking framework, replicating the model implemented in Bosnia may well be a good temporary solution, before a full-fledged reform in regulation to accommodate Islamic banking is undertaken; such as what is currently happening in Kyrgyzstan. He also expressed his hope that the trend will continue in other places.

MR YERLAN BAIDAULET, CHAIRMAN, KAZAKH ASSOCIATION FOR DEVELOPMENT OF ISLAMIC FINANCE & CHIEF ECONOMIC ADVISER, MINISTRY OF INDUSTRY AND NEW TECHNOLOGIES, KAZAKHSTAN, started by reflecting on the history of Islamic banking and finance development in Kazakhstan – which occurred in three distinct stages:

1. Introduction of Islamic banking and finance in Kazakhstan after the collapse of the Soviet Union
2. The Islamic Development Bank (IDB) initiated projects in Kazakhstan starting from the late 1990s
3. In February 2009, Kazakhstan amended its banking legislation as well as its civil and tax codes, to encourage Islamic banks to invest in the country

Yerlan explained that in the first stage, from 1993–1995, there was a lack of awareness and proper understanding of Islamic Finance.

In the late 1990s, in promoting Islamic banking in Kazakhstan, the IDB not only tried to promote Islamic financial instruments, but also stressed the need to look after the socio-economic aspects of the country – such as the need for transportation, agriculture and healthcare infrastructure.

In this sense, the IDB has contributed greatly to the country. Yerlan mentioned the recent “Dostyk” Award bestowed by the Government of Kazakhstan to HE Dr Mohamed Ali Al-Madani, President of the Islamic Development Bank, as recognition for the cooperation and contribution to the development of the Islamic financing sector in Kazakhstan.

In February 2009, the President of Kazakhstan signed a law amending the country’s banking legislation as well as its civil and

tax codes, to encourage Islamic banks to invest in the country. This initiative made Kazakhstan the first Ex-Soviet country to do so.

On a final note, Yerlan in quoting President Nazarbayev, suggested that in promoting Islamic Finance, it is important to have a set of targets and to have a step by step plan to achieve them.

DR ADALET DJABIEV, FOUNDER AND CHIEF EXECUTIVE OFFICER, AL-SHAMS CAPITAL, RUSSIA, highlighted the main issues in the agenda of development of global Islamic Finance as follows:

1. Regionalisation of Islamic banking and finance
2. Globalisation of Islamic banking and finance
3. Ability of the Islamic financial model to provide sovereignty to the financial system of Muslim countries
4. Ability of the Islamic financial model to provide sovereignty to the financial system of non-Muslim countries – as these countries are over-dependent on the outcome of the global economy

Dr Adalet shared the views of Tun Dr Mahathir Mohamad – a former Malaysian Prime Minister – by highlighting the situation and concern in the Muslim World, whereby most chose to deal in and be over-dependent on the US Dollar. The recent financial crisis, he said, has revealed the truth on the defects of the global financial system and the US Dollar.

In Dr Adalet's view, **the conventional financial system responsible for the collapse of the global financial structure has not changed much since the crisis. We are likely to witness a similar crisis in the near future, and possibly even worse. He advised that for real and significant change to be made, we need to make paradigm changes rather than just making cosmetic changes.**

On that note, he stated that the Fiqh al-Muamalat model was a more comprehensive financial model compared to its conventional counterpart. Muslims should be proud of this model.

Quoting someone from the recent Astana Economic Forum 2011, Dr Adalet reiterated that the current global currency system



Dr Adalet Djabiev, Founder and Chief Executive Officer, Al-Shams Capital, Russia

to a certain extent is 'Haram (illegal), not democratic, and not transparent', and thus a new global currency is required. He proposed for a conference to discuss the formulation of a new model for the global financial system, or at least a new Shariah-compliant model – which may include the creation of a new currency and reserve currency, a common central bank, a united customs union, and a united economic sphere.

H.E. UCHKUNBEK TASHBAEV, MINISTER OF ECONOMIC REGULATION, KYRGYZSTAN, started by saying that he considered Islamic Finance issues to be the most important and the most relevant issues currently, and Kyrgyzstan in particular is also trying to build a financial model based on Shariah.

His Excellency highlighted that **in Kyrgyzstan the task to implement Islamic banking is not easy because there is no deep understanding of the potential obstacles involved, and also because Kyrgyzstan is a secular state. Nevertheless, there is a strong desire to**





H.E. Uchkunbek Tashbaev, Minister of Economic Regulation, Kyrgyzstan.

### implement a full-fledged Islamic Finance legislative framework, in which Islamic banks can operate and realise their full potential.

Currently, the Islamic Finance legislative framework in Kyrgyzstan still has outstanding issues, especially in relation to providing a viable environment for micro-financing.

On discussing what may be necessary for the Islamic economic model in Kyrgyzstan, H.E. Uchkunbek stated there are challenges that must first be overcome, which encompass the following:

1. Scarcity of human capital – the industry needs highly qualified individuals who are experts in both Shariah and business matters.
2. Lack of regulatory standards in approaching and evaluating Shariah experts – there must be a standard approach to evaluate and later appoint Shariah experts in order to avoid appointing unqualified and incompetent council members.

3. Lack of relevant worldly knowledge taught in Islamic university – students must be taught important subjects such as Islamic economics, Islamic accounting and Islamic law. The Muslim World will be better positioned if Islamic universities can produce religious experts knowledgeable in various fields.
4. Price competitiveness of Islamic financing products – surveys in Muslim-majority Kyrgyzstan, with approximately 75% Muslim population, have shown that the majority of the population regards Islamic financing products as expensive. To an average Kyrgyz, a competitive price is the most important consideration in selecting a financing product.
5. Suitability of product and structure – it is vital that Islamic financing products be well-structured to suit both the need and capacity of the customers, as only meaningful financing will serve their socio-economic purposes to improve societal conditions.
6. Terminologies and standards issues – inconsistent usage of terminologies and standards in Islamic Finance can cause confusions among the general public and this can disrupt interest for the products.
7. Sources of funds – in Kyrgyzstan, sources of funds for Islamic banks are scarce. Because of that, it is very difficult to provide financing products at competitive rates.

In concluding, His Excellency strongly suggested that Islamic financial institutions focus on striving to provide the best quality Shariah-compliant products, rather than just focusing mainly on the bottom line i.e. profits and market share.

### MR PRASAD ABRAHAM, CHIEF EXECUTIVE OFFICER, AL HILAL BANK KAZAKHSTAN,

introduced Al Hilal Bank Kazakhstan as a wholly-owned subsidiary of Al Hilal Bank in Abu Dhabi. Although there were already a number of Islamic banks operating in the UAE prior to the inception of Al Hilal Bank, the Government of Abu Dhabi was determined to introduce a brand new Islamic bank which could prove itself to be dynamic and progressive – while complying with the principles of Shariah.

Additionally, the country showed its commitment to Islamic banking by passing comprehensive Islamic banking legislations.

Al Hilal Bank now has a long-term view on investment in Kazakhstan, and as such plans to make it the launching pad for further expansion into other CIS countries.

Due to Al Hilal Bank's status as a Government-owned entity, the initial focus has been on corporate finance and infrastructure-related projects, but in the future the bank plans to pay as much attention to both retail and commercial banking.

It is important to first improve the general public's awareness and perception on Islamic banking without being offensive, especially as a large portion of the population still has an incorrect perception of Islamic Finance.

Al Hilal Bank leveraged access to Shariah board members in Abu Dhabi to address its need for experienced Shariah scholars in Kazakhstan. Al Hilal Bank's Shariah board members meet twice a year in Kazakhstan, and the Kazakh branch capitalised on this opportunity to absorb knowledge and expertise from extensive presentation by the Shariah board members.

Al Hilal Bank positioned itself in Kazakhstan after the recent global financial crisis, a time when other banks were not lending, and thus a good opportunity for Al Hilal Bank. The Government of Kazakhstan is also actively looking at the issuance of sovereign Sukuk, as Kazakhstan aspires to be the regional financial centre for Islamic banking by 2020.

Mr Prasad shared Kazakhstan's plans to venture into sovereign Sukuk issuance. This sovereign Sukuk issuance will be the first in the CIS region. The Government introduced legislation in parliament which will change the existing ownership requirements on government assets to facilitate the issuance of Sukuk. Provided that the legislation is passed by the Upper House of Parliament, the country shall see its first sovereign Sukuk issuance by year end.

In concluding, Mr Prasad mentioned the bank's fruitful experience in Kazakhstan. He said one can either wait for radical revolution or step in to initiate change from within. He believes that Al Hilal Bank made a good first step and he looks forward to more Islamic banks cooperating with Al Hilal Bank to creating a strong fraternity.



Mr Prasad Abraham, Chief Executive Officer, Al Hilal Bank Kazakhstan.

# Special Forum on Countries in Focus

## “Investment Opportunities & Challenges”

Supported by Islamic Development Bank (IDB) Group

### Introductory Speeches



Tan Sri Ahmad Fuzi Bin Abdul Razak, Secretary General of WIEF Foundation.

#### TAN SRI AHMAD FUZI BIN ABDUL RAZAK, SECRETARY GENERAL OF WIEF FOUNDATION,

welcomed participants to the Special Forum on Countries in Focus. He thanked the Islamic Corporation for the Development of the Private Sector (ICD) and the Islamic Development Bank (IDB) for their strong support and collaboration. He also expressed his appreciation to the Government of Kazakhstan for facilitating this Special Forum during the 7th WIEF in Astana.

He pointed out that the Forum has garnered support and attraction from many participating countries and delegates

since its inception. In line with the WIEF's emphasis on building bridges through business and the current theme of the Forum, 'Globalising Growth: Connect, Compete, Collaborate' the Forum serves as a useful platform for ministers and representatives of participating countries to present all the opportunities available that can attract trade and investment as well as economic collaboration.

In terms of investments, participating countries can outline specific projects of interests to foreign investors including those participating in this Forum. He highlighted that in 2009,

57 OIC member countries accounted for only 10.4% of global trade, whereas, the share of intra OIC trade was 16.7%, which was only a slight increase from 13.3% in 2003. Therefore, he acknowledged that there is a great potential for growth in trade within the OIC member countries.

Tan Sri Ahmad Fuzi hopes that participants attending the Forum, particularly members of the private sectors will be able to explore new business opportunities. He urged potential investors to take advantage of the presentations made by the distinguished panellists and to engage in networking activities during the Forum. He also conveyed his hope that serious follow-up discussions and negotiations would take place as a direct outcome of this forum.

He stated that in collaboration with the IDB, Mr Khaled Mohammed and his senior colleagues would be able to assist and advise OIC member countries in the fields of trade and investment. Tan Sri Ahmad Fuzi expressed his hope that this welcome contribution will be well received by the delegates present.

Finally, he thanked Their Excellencies, the Ministers representing Malaysia, Sudan, Brunei, Turkmenistan and Azerbaijan as well as distinguished representatives from Uganda, Kazakhstan, Turkey, Mexico and Tajikistan. He then expressed his regret, due to limited time, that WIEF could not accommodate the participation of more countries and hoped that this could be achieved in future forums.

MR KHALED MOHAMMED AL-ABOODI, CHIEF EXECUTIVE OFFICER, ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR (ICD), highlighted the investment opportunities and challenges of member countries of the WIEF. The IDB Group strives to enhance the Groups' developing impact in the private sectors by promoting investments in emerging economies. The IDB Group also utilises its global regional presence, its existing client base and its wide range of products, all to support, facilitate and enhance cross border investment.

They seek to replicate an excellent model through the sharing of business practices achieved by companies from emerging economies, as well as stimulate companies to develop in countries with new opportunities. Citing from financial reports,

he observed foreign investment is expected to reach more than USD 1.5 trillion in 2011 and around USD 2 trillion in 2012. Developing economies are expected to attract half of global foreign investment and are favourable destinations for such investments.

He pointed out that **overcoming the barriers for attracting foreign investments remains of high importance to developing countries. Investment conferences and forums will shed more light and act as catalysts for boosting the inflow of foreign investments into countries.** He was confident that this Special Forum would successfully make a strong case for all countries to discover that this is the perfect place for investment and business expansion.

Khaled concluded by emphasising that the IDB group will continue to support its member countries to achieve economic growth and prosperity.



Mr Khaled Mohammed Al-Aboodi, Chief Executive Officer, Islamic Corporation for the Development of the Private Sector (ICD).



# Special Forum on Countries in Focus

## “Investment Opportunities & Challenges”

Supported by Islamic Development Bank (IDB) Group

### Session 1



Tan Sri Dr Wan Mohd Zahid Bin Mohd Noordin, Chairman of University Teknologi Mara (UiTM), Malaysia.

TAN SRI DR WAN MOHD ZAHID BIN MOHD NOORDIN, CHAIRMAN OF UNIVERSITY TEKNOLOGI MARA (UiTM), MALAYSIA, the moderator, began by welcoming all participants to the Special Forum on Countries in Focus.

H.E. DATO' SRI MUSTAPA BIN MOHAMED, MINISTER OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA, gave a brief introduction on Malaysia's geographical location, population statistics and economic outlook. Last year, Malaysia's GDP grew by 7.2% with total trade amounting to USD 360 billion, and the inflation rate of about 2.8%.

There are several key factors to Malaysia's resilient economy such as being able to host investments from all corners of

the world. Malaysia is strategically located between India and China, and serves as a gateway into the ASEAN market of 600 million people. As a trading nation, he stated that Malaysia's main exports were mainly from electrical and electronics (39.1%), palm oil (7.6%), as well as LNG and crude petroleum (10.9%).

Examples of major investments by OIC countries in Malaysia include Saudi Arabia, United Arab Emirates, Qatar and Kuwait, which are deeply involved in the Islamic banking sector. A few examples of such investments are the Mubadala Development Company, which is also involved in the development of the Kuala Lumpur International Financial District (KLIFD) as well as Iskandar Malaysia in Johor Bahru.

Dato' Sri Mustapa listed several of Malaysia's successful companies; which includes Petronas, a Fortune 500 company with a presence in more than 30 countries around the world and

Air Asia, one of the most successful low-cost carriers in the world. Another is Sime Darby, which is a major global plantation company that has diversified businesses across numerous sectors. Several banks such as Maybank and CIMB are the top two leading banks in Malaysia with a growing regional presence.

He explained that the Malaysian government has introduced the Government Transformation Plan to create a performance-centric delivery within the government so that the system will be more people-centred and outcome-oriented. Key Performance Indicators (KPIs) are reviewed biannually and are now provided in monitoring the six National Key Result Areas (NKRAs) which include upgrading living standards of low-income households, upgrading rural basic infrastructure, improving urban public transportation, reducing crime, combating corruption and expanding access to quality education.

About 40% of the projects over the next ten years are predicted to be from the oil and gas sector. He highlighted a few energy projects that are currently being developed which fall under four themes. The first theme is to sustain oil and gas production to enhance oil recovery, develop small marginal oil fields and intensify exploration activities. Second is to boost growth in downstream activities by building a regional oil-storage hub. The next theme is to make Malaysia the top Asian hub for oil field services by attracting multinational corporations and to forge partnership with world-class companies. The last theme is to build a sustainable energy platform for growth by diversifying energy sources and developing alternative sources.

Dato' Sri Mustapa indicated several of the reasons to invest in Malaysia to be the country to invest in, namely because the Government is pro-business and politically stable, has an excellent infrastructure with sound banking institutions and Malaysia serves as a possible gateway to other markets with preferential access through Free Trade Agreements (FTAs).

Malaysia also has a great potential market comprising 600 million people in the ASEAN region, offers zero tariffs for 99% of products and is bound to be a single market by 2015. He concluded by stating that the Government is



H.E. Dato' Sri Mustapa Bin Mohamed, Minister of International Trade and Industry, Malaysia.

committed to ensure that Malaysia remains a competitive and business friendly location.

### H.E. ELSADIG MOHAMMED ALI, STATE MINISTER FOR INVESTMENT, REPUBLIC OF SUDAN,

introduced Sudan as an Arab-speaking nation in Africa with an area of one million square metres. Although Sudan had survived difficult times during the war that lasted 50 years, the conflict was settled peacefully in 2005.

Sudan has an abundance of natural resources and is home to many agricultural fields for cattle breeding, with the capacity to handle more than 160 million cattle. Sudan is a haven of minerals such as, gold resources, chromium, silver, plumbum, uranium, zinc, natural gas and oil reserves; their major exports are crude oil, meat, cotton and sugar.

As for investments, Sudan's government recognises the importance of developing the country for investment purposes, as there is vast competition to attract investors. In addition to natural resources that are not duly used, the Government of Sudan has drafted new bills and laws that will serve as a guarantee for investments in Sudan. Currently, incentives are

## Forum Day 1: Special Forum on Countries in Focus: Session 1



H.E. Elsadig Mohammed Ali, State Minister for Investment, Republic of Sudan.

being given for these investments and an exemption of 10% taxes in certain industries is allowed, as well as 15% of taxes in tourism in Sudan.

Citing the World Bank report, His Excellency stated that the economy in Sudan has been slowly improving over the last ten years. Currently, there are efforts being made to remove all investment handicaps from Sudan. He concluded by stating that the Government is taking opportunities to create a better infrastructure so that Sudan can become an attractive country to invest in.

**MR MOHAMMED JAMEEL AL-SAATI, DIRECTOR OF THE ISLAMIC DEVELOPMENT BANK (IDB),** pointed out that the Bank was established in 1975 to foster socio-economic development, in compliance with Islamic rulings, to its member countries and Muslim communities.

There are 56 IDB member countries spanning Asia, Africa, Europe and Latin America; the Bank has an authorised capital of USD 45.78 billion, a subscribed capital of USD 2746 billion and paid-up capital of USD 6.04 billion. The Bank is rated 'AAA' by Standard & Poor's, Moody's Investors Service and Fitch Ratings and was highly ranked by the European Union in May 2007 as zero risk.

The vision of the IDB by the year 2020 is to become a world-class development bank, inspired by Islamic principles and to help transform the landscape of comprehensive human development in the Muslim World. **The IDB's mission statement is the commitment to alleviate poverty; promote human development, science and technology, and Islamic banking and finance; and to enhance cooperation amongst member countries in collaboration with development partners.**

In supporting the Islamic Finance industry, the Group has established several advisory services such as capacity development and technical assistance to provide a conducive environment for the Islamic Finance industry, Zakat sector capacity building, introduction and dissemination of Islamic modes of financing, and developing the architectural foundation of the Islamic financial industry by establishing and supporting crucial institutions.



Mr Mohammed Jameel Al-Saati, Director of the Islamic Development Bank (IDB).

The IDB has formed a special programme for the Development of Africa (SPDA), which is aimed at supporting investments in social and infrastructure sectors in Sub-Saharan Africa; to provide access to services for the poor through twinning with regional infrastructure networking, focus on areas such as food security, education, health, energy and transport. The total size of the Programme is USD 12 billion; with a USD 4 billion contribution from the IDB Group, and USD 8 billion from co-financing with partners. In March 2011, the IDB Group approvals reached USD 3.1 billion (76% of the target).

Public Private Partnerships (PPP) emerged as the preferred mode of investment globally for major infrastructure projects requiring sizeable investment. The IDB has approved 50 PPP projects with a contribution of more than USD 2.9 billion for projects in industrial, power, infrastructure and communication sectors in Asia, Africa and Middle East.

In terms of leveraging resources, the IDB is forming strategic alliances with multilateral institutions and the institutions of common member countries to provide joint development assistance. The Group will also be participating in the global initiatives aimed at promoting sustainable economic growth and human development in member countries.

#### MR AHMED KHEIZER KHAN, CHIEF OPERATING OFFICER, ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR

(ICD), stated that the Group's vision is to be a major player in the development of the promotion of the private sector as a vehicle for economic and social growth and prosperity in Islamic countries. The ICD's mission is to complement the role played by the IDB by providing Islamic financial services and products, promoting competition in member countries and advising governments and businesses.

He then gave a brief overview of the company's history. The ICD was established in 1999 with an authorised capital of USD 2 billion and a membership of 50 countries. The ICD is owned by the IDB (50%), public financial institutions (20%) and 50 member countries (30%). Together with Islamic Development Bank, the ICD has a presence in many emerging markets and has an extensive network of partnerships in the public and private sector. The ICD has already leveraged its position in the market to provide USD 1.4 billion in financing projects.



Mr Ahmed Kheizer Khan, Chief Operating Officer, Islamic Corporation for the Development of the Private Sector (ICD).

In terms of investments by geography, the ICD has made a remarkable investment in the Middle East and North Africa (68.8%), Sub-Saharan and West Africa (10.5%), Central Asia (12.3%) and South Asia (8.4%).

Ahmed then explained the ICD's strategic objective by the year 2020, which is to promote the private sector by creating jobs, and providing Islamic financing capabilities in all member countries.

The ICD will deliver its vision through a "4 pillar" strategy with a focus on developing financial channels in its member countries. The four pillars are to:

1. Shift focus towards developing Islamic Finance channels by going beyond basic banking and developing non-banking financial instruments
2. Target direct financing of the private sector through selective investments that can reinforce the ICD's channel strategy and provide demonstrable success



## Forum Day 1: Special Forum on Countries in Focus: Session 1

3. Partner with IDB Group to shape an enabling environment, leverage partners to go beyond their own resources since the ICD resources are limited
4. It must bring in third-party partners at the strategic or tactical level

The ICD will also be offering Multiple Product Lines by establishing and investing in institutions through control and non-control position. The objective of these Multiple Product Lines is to fund private sector businesses in order to provide capital to boost companies, which will be done through equity financing and project financing. In conclusion, he stressed that **the ICD provides technical assistance to countries and projects through its network of consultants and will focus on structuring, raising and managing private equity funds in partnerships with investment teams.**

MR MOHAMMAD AZAD, GENERAL MANAGER, OPERATIONS DEPARTMENT OF INTERNATIONAL TRADE FINANCE CORPORATION (ITFC), gave a



Mr Mohammad Azad, General Manager, Operations Department of International Trade Finance Corporation (ITFC).

brief history of ITFC. It was established in May 2006 and has an authorised capital of USD 3 billion and a subscribed capital of USD 750 million. The company's mission is to be a catalyst for the development of trade among OIC member countries and with the rest of the world; and its vision is to be a recognised provider of trade solutions for OIC member countries' needs.

Mohammad laid out ITFC's core competencies which are rich in heritage with over 30 years of experience in trade finance; rated 'AAA' by Standard & Poor's; has a catalytic role to promote intra-OIC and international trade. The ITFC has solutions in structured trade finance and SMEs; has a sound geographical presence in 56 members; and has vast technical expertise in the industry.

In terms of Trade Corporation and Promotion Program (TCPP), ITFC has established four strategic areas – trade promotion, which is to enhance intra-trade by improving member countries' competitiveness; trade facilitation, to strengthen economic integration through removal of trade barriers. Another strategic area is capacity building, which is meant to enhance member countries' trade capacities for sustainable national trade development; and finally, the development of strategic commodities, to develop member countries' trade capacities and competitiveness in the sectors and products where they have comparative advantages.

MR LOTFI ZAIRI, ASSISTANT TO THE CEO, ISLAMIC FINANCE AND TECHNICAL AFFAIRS, ISLAMIC CORPORATION FOR INSURANCE OF INVESTMENT AND EXPORT CREDIT (ICIEC), explained the company's vision to be an internationally recognised leader in Shariah-compatible export credit and investment insurance and reinsurance in member countries.

ICIEC's mandates are in Export Credit Insurance, which is to encourage exports from member countries to the rest of the world. Investment Insurance will encourage the flow of capital and investments from the world to member countries. The 40 member countries of ICIEC include Arab nations, Sub-Saharan African countries, Eurasian as well as Southeast Asian nations.

Regarding to their products, he pointed out that ICIEC would like to be a catalyst to promote and boost all the economic players which include:

1. Exporters to promote export credit insurance against their payment risk of their receivables.
2. Banks that are re-insured through credit insurance to secure their financing receivables. There are two policies in favour of the banks which are Documentary Credit Insurance Policies and Bank Master Policy.
3. Investors which are given a list of political risk insurance which comprises Equity Investment, Financing Facility, Guarantee as well as Non-Honouring of Sovereign Obligations.
4. Export Credit Agencies in member countries which are provided with reinsurance services in addition to some advisory services. The Inward Reinsurance Policies comprises treaty and facultative. The additional services provided by ICIEC are technical assistance and advisory services to the Export Credit Agencies in member countries; capacity building to member countries through programs with IDB Group which is the investment technical assistance programme of IDB Group (ITAP).

Lotfi announced that ICIEC was rated "Aa3" by Moody's Investor's Service. ICIEC is also the only Islamic Multilateral Export Credit Agency in the world that has unique in-depth regional knowledge that is based on its location and experience. In conclusion, he said that despite the global financial crisis, the business achieved more than USD 3 billion last year and has reached maximum capacity in terms of volume of business.

**DR AMIR RASLAN ABU BAKAR, CONSULTANT, ISLAMIC RESEARCH AND TRAINING INSTITUTE (IRTI)**, gave a brief history of IRTI which was established in 1981 and is the research and training arm of the IDB Group.

Its vision is to become a full consultancy service-provider to effectively provide the needed policy and technical advice to implement the strategic thrusts, and complement its traditional research, training and information services.



Mr Lotfi Zairi, Assistant to the CEO, Islamic Finance and Technical Affairs, Islamic Corporation for Insurance of Investment and Export Credit (ICIEC)

He mentioned the strategic direction of the IRTI is to lead in the development and sustenance of a dynamic and comprehensive Islamic Financial Services Industry; to play a leading role in the knowledge services and to engage in research areas in Islamic economics, banking and finance.

To facilitate the above objectives, the IRTI has come up with a list of products and services for example learning initiatives, research publications in the areas of risk management, corporate governance and corporate social responsibility, training in the areas of Islamic economics and economic policies. The IRTI has created advisory services in collaboration with Islamic Financial Services Board (IFSB), Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and other organisations to bridge gaps and harmonise similar Shariah-based issues.

# Special Forum on Countries in Focus

## “Investment Opportunities & Challenges”

Supported by Islamic Development Bank (IDB) Group

### Session 2



H.E. Dato' Paduka Awang Hj Ali bin Hj. Apong, Deputy Minister at the Prime Minister's Office & Chairman, Brunei Economic Development Board.

#### MR EBRAHIM PATEL, CHIEF EXECUTIVE OFFICER, MAGELLAN INVESTMENT, SOUTH AFRICA,

moderated the session, expressing that there were various continents represented on the panel including Southeast Asia, Eurasia, Africa and one straddling Asia and Europe. He spoke of the connectivity, collaboration and competition between countries for investment opportunities. He then gave a brief background of each of the countries before introducing their representative speakers. During the discussion, the panellists were asked what each of their countries' unique selling points were, so that investors would be attracted to their respective countries

In Southeast Asia, he cited that Brunei is ranked second after Singapore in the Human Development Index. With 50% of its revenues coming from crude oil, making up 90% of its exports, he posed the question of how Brunei copes with vagaries and volatilities in the oil industry.

H.E. DATO' PADUKA AWANG HJ ALI BIN HJ. APONG, DEPUTY MINISTER AT THE PRIME MINISTER'S OFFICE & CHAIRMAN, BRUNEI ECONOMIC DEVELOPMENT BOARD, responded by stating that although Brunei produces only 200,000 barrels of oil a day, the oil and gas industry makes up 70% of its economy and contributes 90% to the country's revenue. The challenge to diversify Brunei's economy is an agenda that has been on the table for more than 30 years. For instance, investments are beginning to come in from Japan in the area of urea and ammonia, which would create between two to three thousand jobs. Integrated oil and gas refineries are another area within the oil and gas sector itself that would be used to diversify the country's economy.

Within the non-oil sector, such as in the food processing and pharmaceutical sector, tourism, halal and financial sectors, Brunei is aggressively pursuing banking, fund management and securities businesses to attract players from all over the world – both Islamic and non-Islamic – to use such legislation to participate in Islamic banking and finance.

He later explained the economic zones set up by the Brunei government, whereby they attract investments by improving its ease of doing business. He elaborated upon their strategy to improve their rankings; for instance, corporate tax reduced from 30 to 20%, tax for small and medium enterprises (SMEs) reduced from 11 to 5%, and other initiatives to facilitate the ease of doing business such as online business registrations.



Mr Ebrahim Patel, Chief Executive Officer, Magellan Investment, South Africa.

It is significant to note that the Government of Brunei has established various investment funds, whose task is to coordinate and cooperate with FDIs that come through Brunei. They will assess funds from all over the world to evaluate if they are worth investing in, as the idea is to one day get them listed on the stock exchange, creating assets for investors themselves.

DR MAGGIE KIGOZI, EXECUTIVE DIRECTOR, UGANDA INVESTMENT AUTHORITY, UGANDA, was introduced by the moderator who highlighted that Uganda faced a number of challenges including political challenges and inflation. She was then asked how the country was able to manage these problems. Dr Maggie responded by stating that the continent of [Africa has a large geographical size, and its improvements in terms of democracy and good governance is something the media would rarely touch on. Africa is the third fastest growing continent in the last decade rising at about 4 to 5% and presently increasing to 6%.](#)

Uganda is surrounded by large markets within East Africa; the regional blocs that Africa is putting into place would eventually encourage greater free trade amongst countries. Uganda is attractive for its agricultural value, good climate conditions, an abundance of water, minerals and petroleum, a highly educated society – Uganda has 50 universities – all of these factors thereby contributing to its investor-friendly environment. The economy has become more liberalised, the government is promoting the growth of the private sector. Poverty levels have fallen greatly and have surpassed the Millennium Development Goals (MDGs).

The UK, India, Kenya and China are prominent investors in Uganda, China is a new entrant but is investing heavily within a number of sectors. The Ugandan government is beginning to use its own internally generated funds, through taxation, to support its own expenditure. She highlighted the numerous sectors that present ample opportunities for investors, including: telecommunications, software production, the creative industries and other information and technology sectors, health, education, agriculture, agro-processing, hydropower, thermal, solar, petroleum extraction, and minerals.

Although the perception may be that Uganda is a poverty-stricken and violent land, she expounded on the significant changes within their economy. A large number of concessions, for example, are being given out within the mining sector, as



Dr Maggie Kigozi, Executive Director, Uganda Investment Authority, Uganda



## Forum Day 1: Special Forum on Countries in Focus: Session 2

well as the transport and logistics sector where investors would be invited to look into the development of public transport and construction of buses and railways. In the case of the growing population, she spoke about the development of housing estates, commercial buildings and satellite cities in Uganda.

Dr Kigozi concluded by inviting visitors to Uganda, stating that its cultural tourism would be an attraction for all. Finally, although there exists a potential global food crisis, Uganda is the best placed to resolve the situation, since only 20% of arable land is being used currently.

MR ASYLKHAN SERIKOV, CHAIRMAN, COMMITTEE ON INVESTMENTS, MINISTRY OF INDUSTRY AND NEW TECHNOLOGIES, KAZAKHSTAN, cited several figures on Kazakhstan and noted that since its Independence in 1991 there has been significant growth; attracting more than USD 125 billion of FDIs and also taking a leading role in growth in Central Asia by the volume of FDIs over the past decade. **Most foreign investors currently and traditionally operate in mining, oil and gas, but Kazakhstan wants to shift the development away from the resource industries and move into high-tech and non-extractive industries.** They introduced a state industrial and innovative development, and within the framework of the industrial programme, they will focus on priority sectors such as the development of metallurgical, chemical and mechanical engineering; business tourism, and several others.

He went on to highlight several key industries that Kazakhstan is currently investing in. For instance, the mining sector in 2009 amounted to USD 15.5 billion with an import share of 38%. Kazakhstan has sufficient amount of raw materials and by 2015, it plans to increase production to cover the requirements of the domestic market by 80%. In the machinery industry, presently an estimated 90% is being imported from abroad, however the current situation is changing; Kazakhstan hopes to establish its own machinery production in the country.

In the chemical industry, the market capacity is USD 3.5 billion, where 80% of the market is mostly made up of products with high added value including rubber, plastics, perfumes,



Mr Asylkhan Serikov, Chairman, Committee on Investments, Ministry of Industry and New Technologies, Kazakhstan.

detergents and cleaners. He said that Kazakhstan also has the potential to develop its own pharmaceutical industry, where by 2014 Kazakhstan plans to increase its share of domestic drugs by 50%. However, he pointed out that the successful implementation of all these projects listed would depend on the investment climate and favourable conditions.

Mr Serikov continued to state that the Kazakh Government has developed systematic measures for business support. They first set up the 'Business Roadmap 2020', the focus of which is mainly to grow SMEs through productivity and upgrading. The Government also established 'Export 2020', a programme meant to promote exports from Kazakhstan. They also created 'Productivity 2020', a programme aimed at technological upgrading and improving productivity. These programmes altogether provide incentive tools on financial, fiscal and other measures.

He outlined the various efforts taken by Kazakhstan to stimulate investment into the country, including the development of special economic zones to create attractive environments for non-extractive, export-oriented and high-tech manufacturing. It also includes promoting the diversification of the sources of investment protection of investors, adoption of a stable infrastructure network, and creating a key map of Kazakhstan

industrialisation for both foreign and domestic companies to facilitate business opportunities.

He stressed on its plans to improve the country's rating of doing business, to create favourable conditions for investors. A map of Kazakhstan's industrialisation is an information base for investors; showing 469 projects amounting to USD 56 billion, with the creation of 140,000 jobs during the construction period and 166,000 jobs during its operation.

Kazakhstan's efforts to diversify its export market are in line with its current efforts of creating a vast network of railways that would connect it to Russia, Europe and China. He concluded by saying firmly that Kazakhstan's unique selling point is its political stability.

**MS ESRA TULGAN, PROJECT DIRECTOR, INVESTMENT SUPPORT AND PROMOTION AGENCY OF TURKEY,** began by elaborating the

role her agency plays in attracting investments into Turkey. Their services include facilitating legal procedures, incentive applications, obtaining licences and permits. The agency reports to the Prime Minister himself, which allows for flexibility, as it has access to and works with a range of ministries and government departments.

Turkey, she expounded, has achieved remarkably rapid economic growth over the last eight years and is one of the fastest growing economies in the world, having accomplished 8.9% in 2010, hence establishing it as the fastest growing economy in Europe. Over the past eight years, Turkey has also more than tripled its GDP, reaching USD 736 billion in 2010.

Esra noted that recent economic developments show Turkey is decoupling from its peers in the region. Although the world has not yet fully recovered from the global financial crisis, Turkey is providing a confident investment climate, where its economy is projected to grow 6.7% annually over the period of 2007 to 2017 according to the Organisation for Economic Co-operation and Development (OECD), making it the fastest growing economy in the OECD.

Another key observation is that the Turkish society is transforming rapidly where the country has an extremely dynamic and young population with over half the population under the age of 29. This vibrant and young population is drastically changing Turkey, creating profitable and tremendous opportunities for investors, she stated.

Strong economic performance, growing domestic markets, a young population, a skilled market force and a strategic location make Turkey an attractive investment destination. Turkey has attracted USD 94 billion worth of investments over the past eight years between 2003 and 2010, which is considerable since it had only attracted USD 15 billion in the preceding decades between 1973 and 2000. There has been a marked change over the last three years, where there were only 8000 international companies based in Turkey then; currently, there are 26,000 companies.

**Eurasian companies can use Turkey as a springboard to Europe, Middle East and Africa, as it possesses a geostrategic location making it an important energy transit point; and investors can then access multiple markets through the European Union.**

In her concluding remarks, Esra pointed out that Istanbul is working towards becoming an international financial centre, offering companies an opportunity to set up offices there. She summed up Turkey's attraction points as having a stable financial system, young and qualified people who are committed to their work, excellent market access to neighbouring countries, and a dedicated and talented pool of professionals.



Ms Esra Tulgan, Project Director, Investment Support and Promotion Agency of Turkey.

# Special Forum on Countries in Focus

## "Investment Opportunities & Challenges"

Supported by Islamic Development Bank (IDB) Group  
Session 3



(From L. to R) Mrs Gulshan Rzayeva, Ms Evelyn Mungai, Mr Amondjon Eshonkulov.

MS EVELYN MUNGAI, EXECUTIVE CHAIRMAN, SPEEDWAY INVESTMENTS LTD, KENYA, began with a short introduction of the panel speakers.

MRS GULSHAN RZAYEVA, PRESIDENT ADVISOR, AZERBAIJAN EXPORT AND INVESTMENT PROMOTION FOUNDATION, introduced Azerbaijan as an oil producing nation with a population of nine million people. After gaining independence in 1991, the development of the oil industry became the core in generating the country's revenues.

She then stated that [Azerbaijan's Gross Domestic Product \(GDP\) growth rate was 5% in 2010](#),

and had their highest growth rate in 2006 at 34.5%. The Government of Azerbaijan has been introducing state development programmes for the benefit of the country and as a result, poverty has reduced from 45% in 2003 to 9% in 2010. The State Programme on Poverty Reduction and Sustainable Development of the Republic of Azerbaijan was introduced in 2008 and will continue until 2015.

According to the Fitch Ratings in terms of Investment Grade, Azerbaijan improved its long-term credit rating from 'BB' to



Ms Evelyn Mungai, Executive Chairman, Speedway Investments Ltd, Kenya.

'BBB-'. According to the World Economic Forum, its Global Competitiveness Report 2010–2011 rated Azerbaijan as number 57 globally and first among the Commonwealth of Independent States (CIS).

There has also been a gradual reduction of corporate tax from 27% in 2003 to 20% last year. Other exemptions on taxes and custom duties are on agriculture and the import of equipment for agriculture production, inheritance and gift taxes, and oil production imports. In terms of foreign trade in 2010, Azerbaijan experienced a trade turnover of USD 27.9 billion due to free trade agreements (FTAs) between Azerbaijan and all CIS countries.

Gulshan explained that Azerbaijan is an attractive country to invest in because of its political and financial stability, good geographical location between the crossroads of Eurasia, favourable climate and welcoming culture. Azerbaijan has a well-developed infrastructure and serves as logistical hub for Asia – Europe, Middle East – CIS, it is home to the second largest port in the Caspian Sea, there are abundant mineral resources alongside oil and gas, and the country also provides a low-cost but skilled labour force.

In terms of the industries to invest in, Azerbaijan is noted for its food and agriculture industry due to its fertile lands and climatic zone areas. It is also a fast growing domestic market and food processing industry. Information and Communication Technologies (ICT) is the second most attractive sector in Azerbaijan after the oil industry. The country's first satellite will be launched in late 2012 and it is the Government's agenda to implement new projects to increase ICT revenues by 2024.

This year marks the year of the tourism industry in Azerbaijan. In line with this, international hotels, tourism complexes and other infrastructures are being constructed to attract more tourists and foreign investors to the country.

Azerbaijan Export and Investment Promotion Foundation (AZPROMO) is a programme to promote Azerbaijan. It was developed by the Ministry of Economic Development in 2003 to sustain economic growth of the country by maximising the flow of non-oil extraction and development of export oriented sectors.

Gulshan mentioned that the selling points in promoting FDIs into the country are political stability and food security in the regions. Due to that, the Government established the Azerbaijan



Mrs Gulshan Rzayeva, President Advisor, Azerbaijan Export and Investment Promotion Foundation.



## Forum Day 1: Special Forum on Countries in Focus: Session 3

Investment Company to support the business development in the non-oil sector through equity investments. The priority investment sectors are namely agriculture, food processing and packaging, tourism, heavy industry and logistics. The Investment Company also aims to attract local and foreign investments as well as promote capital market development in Azerbaijan.

MR AMONDJON ESHONKULOV, FIRST DEPUTY CHAIRMAN OF THE STATE COMMITTEE ON INVESTMENTS AND STATE PROPERTY MANAGEMENT, TAJIKISTAN, stated that Tajikistan borders China, Uzbekistan, Kyrgyzstan, and Afghanistan and provides access to markets in Central and South Asia. Due to its geographical location, it is possible to attract investment attention and transaction opportunities to Tajikistan.

He stated that Tajikistan has achieved political stability and after gaining independence, the country has gone through economic reconstruction which allows open business with other countries. In terms of registering businesses, the Government has reduced

red tape and documentation; improving the environment for investments at the international level.

Currently, Tajikistan enjoys a robust economic growth and has an average annual GDP growth rate of 7%. There is sound macroeconomic management and the country is relatively resilient amidst the global economic crisis. The Government has also laid out a system that guarantees the investors, by giving equal rights to domestic and foreign investors, legal protection to investors as well as the rights to use and transfer abroad revenues and incomes.

Similarly, there are certain preferences given for entrepreneurs engaged in production. The laws provide exemptions on custom duties and value-added taxes on technical equipment and components, goods for projects endorsed by the Government of Tajikistan and several other goods.

Amondjon stated that Tajikistan has inexhaustible water resources, their hydro-resources make up of 60% of the total source in Central Asia. Tajikistan also has more than 600 deposits of natural resources which consist of minerals and semiprecious stones which are usually marketed to China, Russia and Japan.



Mr Amondjon Eshonkulov, First Deputy Chairman of the State Committee on Investments and State Property Management, Tajikistan.

He also welcomed investors to the aluminium industry since Tajikistan is a prime producer of aluminium. Due to the country's unique climatic conditions and fertile lands, agriculture has also become one of the priority fields in Tajikistan; about two million tons of cotton can be produced annually and are being marketed to the European Union. Similarly, infrastructure and roads are being developed to connect Tajikistan to Afghanistan and other regions in Central Asia.

Tourism has also become an important sector in the country thanks to its beautiful landscapes, thermal sources and historical resources. The Government is also implementing strategic programmes for the development of historical monuments, infrastructure, eco-tourism and water activities to boost the tourism industry.

Lastly, he said that the Republic of Tajikistan has unique natural and economic resources that are necessary for international relations and the Government is making every effort to create proper conditions for investors.

**MR JOSE NEIF JURY FABRE, BUSINESS REPRESENTATIVE, PROMEXICO TRADE AND INVESTMENT OFFICE IN UAE,** stated that Mexico

enjoyed free trade agreements with the United States and Canada for almost 25 years and became a major player in foreign direct investments. Currently, Mexico enjoys free trade agreements with Europe, Japan and Canada. He said that to improvise the country's economy, the Mexican Government is diversifying its trade and investments.

**Mexico has been receiving investments from the Gulf Corporation Council (GCC) countries, and therefore has a deep understanding of Islamic Finance and Shariah-compliant funds.**

The Government is also considering partnerships with these countries since Mexico is the gateway to Latin America, thus, Mexico can play an important role in forging good relationship with Islamic countries.

Jose concluded by stating that Mexico has become a capital export and is looking to invest in other countries to generate growth to their economy. To do this, the Government aims to participate in higher growth regions in the world.



Mr Jose Neif Jury Fabre, Business Representative, ProMexico Trade and Investment Office in UAE.

In the question and answer session, a participant asked Jose regarding the type of sectors the Government of Mexico is interested in investing in. He replied that they are willing to invest in almost anything, particularly in renewable energy, geothermal generation, education services in Kazakhstan, as well as construction, low-income housing and food production in Africa.

He also pointed out that Mexico must have a stronger presence in emerging markets as a trading partner and they hope to stay in the high-growth environments. This is particularly significant since it is a common culture in Mexico to form partnerships and joint ventures.

Another question posed by the audience regarding to the percentage of investments to Africa and Central Asian regions. A panellist replied that the percentages in both regions are low but the Government is starting to diversify the investments and is heading to China and Latin America where their economies are linked. He expressed his hopes that partnerships in Africa and Central Asia will eventually grow at accelerated rates.

# World Islamic Economic Forum Day 2

## Parallel Session 1

### Deploying Innovative Technologies for Infinite Possibilities



DR MEZYAD ALTERKAWI, CHIEF EXECUTIVE OFFICER, RIYADH TECHNOLOGY INCUBATION CENTRE, KING SAUD UNIVERSITY, SAUDI ARABIA, the moderator for the session introduced the various forms of innovations and inventions that have changed our world and he noted that innovation is perhaps as old as mankind.

He observed that because of innovation, things are happening now that were inconceivable before. For instance, a student can now attend a seminar in South Africa and watch a concert in Australia in the span of a few minutes. He noted that there might be a possible shift in the perception of innovative technologies.

In the past, there was a focus on the West as the driver of innovation, and people would travel to the US and Europe to have access to such innovations. However, times have changed and now other countries are setting the benchmark on innovation.

MS JEHAN ARA, PRESIDENT, PAKISTAN SOFTWARE HOUSES ASSOCIATION FOR IT & ITES (P@SHA), highlighted the various means in which existing technologies are being used to help society. She mentioned that it is not only new inventions or technologies that are being used, but existing technologies can be deployed



Dr Mezyad Alterkawi, Chief Executive Officer, Riyadh Technology Incubation Centre, King Saud University, Saudi Arabia.

to help society. For instance, in Pakistan, a country with an estimated population of over 180 million people – less than 20 million people have access to the internet. However, at the same time, 107 million have access to mobile phones. This statistic makes it possible to create innovative means to reach this untapped market in ways that have not been seen.

In the health industry, mobile phones are used to dispense medical advice to rural areas. Since there is a shortage of doctors, most remote areas have healthcare workers who would use mobile phones to consult with specialists in the larger cities to provide the appropriate healthcare advice to the people around them. The specialists would offer medical advice and, in cases where the patient needs further care, they would advise for the patient to be sent to the hospital.

Efforts are underway to track diseases such as tuberculosis, malaria and pneumonia by using Radio-frequency identification (RFID) chips in bracelets. RFID is a technology that uses radio waves to transfer data between a reader and an electronic tag attached to an object for the purpose of identification and

tracking. The idea is to provide every child born in a particular area with an RFID bracelet embedded with their health data. For the next 18 months, the doctors would update this information so that the changes can be tracked in a way that would allow health institutions to find out how best to tackle the disease.

The financial applications of innovating new technologies cannot be overlooked. In Pakistan, only 12% of the population has a bank account, microfinance is something that is proving itself a force to be reckoned with. In Pakistan, the Easypaisa scheme has enabled Tameer Microfinance Bank and Telenor Pakistan (telecommunications provider) to set up the largest branchless banking service in Pakistan. Easypaisa is not just limited to Telenor subscribers; it is available for all mobile phone users. People without mobile phones can equally enjoy Easypaisa products. With Easypaisa, customers can easily conduct their financial transactions; whether it is paying bills, sending or receiving money within Pakistan, receiving money from abroad or even giving donations. The use of this technology has been wildly successful because it has managed to get the unbanked masses into branchless banking.

Innovation has also provided avenues into data mining, which helps scientists study grouping patterns, so that it can be applied to better understand and map health data. This means that there is no need to look beyond technology that already exists. There are various map providers online who provide data that can be used to work towards a common beneficial goal. For instance, using these technologies to track the spread and prevalence of diseases would enable us to know where a vaccination was most needed or where to send the right kind of aid. In disaster relief, this would mitigate situations where although the medical aid is available, it is not received by those who need it the most, simply because there is no clear data of how to channel such aid.

The social aspect of technology innovation is also profound. "Take Back the Tech!" is a collaborative campaign that takes place during the 16 Days of Activism Against Gender-based Violence (25 Nov – 10 Dec). It is a global call to everyone – especially women and girls – to take control of technology to end violence against women. Both Information Communication Technologies (ICT) and violence against women affect our capacity to completely enjoy our human rights. This response





Ms Jehan Ara, President, Pakistan Software Houses Association for IT & ITES (P@Sha).

has manifested itself in various ways; from circumventing the illiteracy issue by using YouTube, to teaching women the skills of digital storytelling in order to share their experiences and courage.

MS MUNIRAH HAJI ABDUL HAMID, MANAGING DIRECTOR, NEURAMATIX SDN BHD & EXECUTIVE DIRECTOR, MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD, discussed how genomics could be used to provide infinite possibilities to the world. Genomics, she explained, is the study of all living things at the DNA level. Biological samples are sequenced and converted to large volumes of genomic data, which are then analysed using computers and sophisticated software. This has revolutionised scientific research by enabling scientists to study and explore living things at a resolution never before possible.

Genomics enables research to be accelerated and discoveries to be fast-tracked. It is generating new ideas, products and processes in healthcare, agriculture, aquaculture and many other sectors. The field itself was relatively unknown early on; and to some extent still is. However it is important to understand

that it provides unprecedented access in mining data to benefit mankind in all areas. Its main advantage lies in the amount of data that can be collected. For example, providing a blood sample at the doctor's office would not provide the amount of information that can be learned from the genomes.

Large volumes of genomic data need to be analysed to be useful. The Malaysian Genomics Resource Centre has developed and deployed innovative technologies to understand genome data and mine it, to not only identify inherited genetic diseases and predispositions in humans; but also to detect susceptibility to adverse drug reactions, to identify desired traits in plants and crops and to make novel discoveries. **Scientists have never before been able to acquire this deep of an understanding of humans, plants, animals and microbes at an accelerated pace, and currently there are so many opportunities for countries to work together to feed, heal and fuel the world.**

Genomics opens doors to infinite possibilities. For the first time, we can look forward to personalised healthcare – customised medicine and treatments to suit an individual's genetic make–



Ms Munirah Haji Abdul Hamid, Managing Director, Neuramatix Sdn Bhd & Executive Director, Malaysian Genomics Resource Centre Berhad.

up. Localising such a process would also ensure better-suited medicine and treatments depending on regional peculiarities. Knowledge such as this could be used to ensure that when new drugs are being tested, they are targeted specifically to where they can be most effective, as opposed to situations where drugs are tested on populations where they may not be suitable.

Through genomics, scientists are gaining new insights in the development of biomarkers for cancer and other genetic diseases; this paves the way for effective treatment of diseases that are presently incurable. In agriculture, discoveries for crop improvement will enable healthier and more productive plants to ensure sustainable food sources.

Munirah emphasised that genomics is already leading the way to a healthier and more secure future. She recommended that each country should start its own genomics project; this will ensure better sample ability. She also noted that this can be used to develop better plants to sustain the food supply in a country.

Responding to a question from the delegates, she acknowledged the body of criticism concerning the position of genomics in Islam. However, she noted, that Islam has always focused on gaining knowledge. Knowledge, she affirmed, was given to us by Allah in order for us to learn from it. She also highlighted the fact that if more countries take an active role in genomics, the technology can then move forward and become more affordable.

**MR KAIRAT TILEBALDINOV, CHAIRMAN, JSC KAZAKHSTAN PPP CENTER**, stated that innovation is important in all countries and should be a point of focus when it comes to state funding. Furthermore, the emphasis should not only aim to make money, it should also be beneficial. For instance, innovating fossil fuel technology would benefit the environment as well as in making the technology cheaper.

Kairat deeply believes that **public partnership for private companies is the best route for innovation and experience. By having such partnerships, it would be easier to distinguish which projects should be followed. The implementation stage should not be left out of the equation, thereby government involvement is necessary.** Kazakhstan understands



Mr Kairat Tilebaldinov, Chairman, JSC Kazakhstan PPP Center.

the importance of innovation and is currently adopting new legislation in the country and investing up to KZT 74 billion (approximately USD 507 million) to support around 20 projects.

International participation can also be commended when it comes to collaborating to innovate, provide funding, and tackle any challenge since there are mutual benefits in the long run.

Kazakhstan has also established a framework for Islamic Finance and Islamic banking. The Shariah norms are followed by Islamic banks; thereby implementing the framework would involve a great deal of innovation that can only be successful if it is studied and applied to the local requirements. Having said that, the Kazakh Ministry of Finance looks forward to using Sukuk instruments as a way to increase investments.

**MS DEBORAH LEARY OBE, FRSA, FOUNDER & CEO OF FORENSIC PATHWAYS (FPL), UK**, stated that she does not have a science background; rather she had her start in English language and literature. This passion for telling stories helped in the creation and running of Forensic Pathways: an award winning international company that provides

## Forum Day 2: Parallel Session 1

advanced data analytics, forensic intelligence, forensic products, training and consultancy. Going beyond conventional analytical techniques, Forensic Pathways specialises in offering unique data analysis solutions in the area of criminal intelligence, due diligence and business intelligence, and is internationally recognised for taking the lead in the development of forensic products and services.

Although one can collect a large quantity of data, the important aspect is in the ability to analyse data and to provide a means of visualising the data: effectively telling the story of what the data represents. Most companies are only focused on getting information, however they face serious challenges when they need to analyse that information to help the financial aspect of their businesses. Furthermore, this information needs to be provided to the customer in a way that is easily digestible because most people



Deborah Leary OBE, FRSA, Founder & CEO of Forensic Pathways (FPL), UK.

do not like too many changes in their organisations; regardless of what the collected data says.

Collaboration with the customers is vital. It is extremely important to understand what the customers want and work closely with them. Once they are a part of the solution, it will ensure sustainability of the solution, since they will also be invested in seeing the solution succeed. It is about making the possible and the impossible a reality – at the same time ensuring that the client is part of their own solution

Public and private partnerships are a double-edged sword when it comes to this field. In a private company, the philosophy is that the more money you make the more good you can do. This is not the case in public sector where the focus is more on research and development. It is important to understand what each party wants for managing that partnership. It is possible to tap into vast resources of skill and equipment by managing partnerships with clients such as universities.

Nevertheless, there are several challenges such as: software developers who do not move quickly and wait for perfection that never comes ('project creep' where the project never ends). Furthermore, balancing R&D and the market can be difficult and in this case it is essential to engage with social media.

She stated that throughout all her experiences there are some lessons to be learnt. For starters, commerciality should never be an afterthought; it should be planned together with the inception of the idea. One should also avoid project creep and must always listen and talk to the customer. She also added that by making the customer a part of the solution, they will be educated enough to ensure that the solution is sustainable. She encouraged them to engage in strategic partnerships but at the same time cautioned that they should be clear about their expectations.

In conclusion, Deborah stated that innovation added with social responsibility and diversity will allow us to work towards the same goal.

A delegate put it to the panellists that perhaps there should also be a stronger focus on social innovation as a means to

address the social problems that society is facing. The question of control was raised on data mining innovations. Bearing in mind the sensitivity of such data, what would they do with that data and would it be misused? Munirah responded that currently, the cost of sequencing is quite high, so it is not a very easy market to enter. Furthermore, she recommended that this field should be under the purview of government control and an ethics committee must be set up in every country that has a genome project. She reaffirmed her stand that the data must stay in the country where it was collected. While sharing information is to be applauded, it is quite important to note that multinational pharmaceutical companies are quite capable of stealing the patentable markers from a country and capitalising on it.

Jehan stated that **social innovation is happening in various fields and at the grassroots level. If seed funds can be set up to assist such projects, there would be considerably more innovation at the grassroots level.** Deborah and Kairat concurred and acknowledged that the youth now have a larger role to play as the movers of innovative technologies.



Audience member contributing to the discussion on innovative technologies





# World Islamic Economic Forum Day 2

## Parallel Session 2

### Infrastructure Development: Investing for the Future



MR AFZAAL MALIK, VICE PRESIDENT, INTERNATIONAL GOVERNMENT RELATIONS AND PUBLIC AFFAIRS, THE COCA-COLA COMPANY, UNITED STATES, moderated the session.

MR MUGO KIBATI, DIRECTOR GENERAL, VISION 2030 DELIVERY SECRETARIAT, KENYA, began by introducing Kenya's Vision 2030. It is a national development strategy, a 20-year plan to transform Kenya into a new industrialised country. Two and a half years on from its inception, it is a very comprehensive plan which looks at the entire socio-

economic growth for Kenyans, with infrastructure development as its foundation.

In many parts of Africa, there has been severe under-investment for the last 30 years. Potential investors coming to Africa have always made assessments in respect to the return on investments of infrastructure development, but Mugo said eventually the actual returns will always be higher than initially expected because typical financial modelling is ineffective in most parts of Africa. For instance, representing one of the biggest investments ever made in the Kenyan telecommunications industry, Safaricom initially expected to sign up 500,000 subscribers within five



Mr Mugo Kibati, Director General, Vision 2030 Delivery Secretariat, Kenya.

years. Instead, it signed up 10 million subscribers. In general, not only is typical financial modelling ineffective in Africa, but some of the statistics available in this region are inaccurate as they do not take into account a large number of people in the informal sector of the economy.

Mugo stressed that **addressing the issue of severe under-investment is an urgent priority in Africa, where demand is high and many of the economies are growing at a rapid rate.**

Information and Communications Technology (ICT) for instance, is the fastest growing sector, and has accorded Africa the opportunity to leapfrog other regions in terms of advancement; with Kenya specifically being the global leader of the Mobile Money Transfer (MMT) concept. Since the introduction of MMT in Kenya about three years ago, the concept has moved on to 'having the bank in mobile phones'; and today transactions are valued at USD 30 million per week. The amount is huge considering Kenya's Gross Domestic Product (GDP) and economic status.

In concluding, Mugo emphasised two critical points. First, severe under-investment in Africa requires attention and a unique

financial modelling in assessing the risks and returns of project undertakings. Second, ICT has been the main infrastructure development in Kenya; although other traditional infrastructure developments such as roads, rails, and ports are considered major investment areas as well.

### H.E. KIINOV LYAZZAT KETEBAEVICH, VICE MINISTER OF OIL AND GAS, KAZAKHSTAN,

noted that oil and gas is one of the most dynamic industries in developing the economy of Kazakhstan, and has played a major role in the country's growth – as it supports the implementation of other important economic activities, especially in its associated spheres of economy. In 2010 alone, Kazakhstan produced 80 million tonnes of crude oil; and in over 20 years of production, the country has extracted over 900 million tonnes of it. The country is now actively seeking new oil and gas fields, while developing proper related strategies and plans. H.E. Lyazzat said Kazakhstan is going to reform the economy thoroughly and expects the volume of oil extraction to increase by 15% by the end of 2015.

The country saw a growth trend while refining its oil in three large-scale refineries and numerous other minor facilities. He went on to say that Kazakhstan refined 13.6 million tonnes of



Mr Afzaal Malik, Vice President, International Government Relations and Public Affairs, the Coca-Cola Company, United States.



H.E. Kiinov Lyazzat Ketebaevich, Vice Minister of Oil and Gas, Kazakhstan.

crude oil in 2010, and currently such an amount is sufficient in meeting the country's demands. To cater for future demands of oil, Kazakhstan has begun the modernisation of all its three major refineries; and when this is done, their combined capacity will be of 17.5 million tonnes per year. Starting from 2015, Kazakhstan's petroleum production will conform to Euro 5 emissions standards.

H.E. Lyazzat stated that the transportation of oil and gas is one of the major issues, thus a good system is important. Kazakhstan is going to further develop and expand its transportation infrastructures which have so far allowed the oil and gas companies operating in the country to transport oil to the most attractive global markets. In 2010, the country exported more than 71 million tonnes of oil. The main oil export pipelines among others include the Atyrau-Samara pipeline and the pipeline of Caspian Pipeline Consortium (CPC) – which is a consortium joined by some American and European oil companies, with Russia and Kazakhstan as partners. On the other hand, the Atyrau-Alashankou crude oil pipeline allows Kazakhstan

to transport oil to China, and in 2010 the amount transported to China was more than 10 million tonnes. Kazakhstan is also transporting oil by railway and sea. Currently, among of the most important sea routes are the Aktau-Baku and Aktau-Makhachkala routes. To expand the exports of oil and gas, the Ministry planned to increase the capacity of existing pipelines while building new ones. For instance, the Government recently agreed with other shareholders to increase the throughput capacity of CPC pipeline from 33 million tonnes to 67 million tonnes of crude oil per year, by 2015.

In discussing the activities of finding and exploring new oil and gas fields, H.E. Lyazzat reported that country has identified some new sites and is now trying to specify and prove these oil fields, while at the same time negotiating with potential foreign partners willing to invest. Kazakhstan is also seeking to increase the capacity of Tengiz (oil and gas) and Karachaganak (gas condensate) fields, both of which are among the largest in the world in terms of size and estimated reserves.

H.E. Lyazzat explained that a relevant framework was required as the country was expected to perform many exploration works, and for this Kazakhstan has a special programme in place with the objective of developing its Caspian shelf. The Caspian Energy Hub (CEH) was implemented to ensure good implementation of projects, and it involves aggregating all the commercial, technical and personnel necessary for the oil and gas industry in the Caspian region; besides becoming a global technical training centre for the oil and gas industry. CEH will attract further investments especially for its internal infrastructures development, in addition to the billions of Tenge already allocated as investments by the Government.

**MR MERT SARI, VICE-PRESIDENT, TURKUAZ GROUP OF COMPANIES, TURKEY**, stated that Turkuaz was established in 1992, and currently has 22 offices throughout Central Asia.

The company, among others, is in the distribution business and has the exclusive rights for the distribution of products of several brand names such as Nestlé and Unilever. Under Turkuaz Machinery, the company holds the distribution rights of products from Hitachi and Schindler among others; while being the official dealer for major international producers of mining, construction, agricultural and other machinery, as well as a provider of relevant service and spare parts.

In two airport concession contracts, Turkuaz handles land development, airports construction, and airport terminals operation in Dalaman, Turkey and Aktau, Kazakhstan.

Reiterating H.E. Lyazzat, Mert said Kazakhstan has huge natural resources reserves and it is the shining star of Central Asia; he inferred that the country has a great future ahead and thus it is a wise decision to invest in Kazakhstan. In comparison to Turkey, for instance, Mert stated that Kazakhstan is vast in size with an area of 2.7 million square kilometres, almost four times bigger than Turkey. The population density however is very low, only slightly more than one fifth of Turkey's population.

The fact that Kazakhstan is landlocked has made transportation and logistics to be an issue in this country; even more so with big cities of Astana and Almaty being farthest from the Caspian Sea.

The transport component of the economy is one of the most sizeable in the world, and this has caused high dependence of the economy on the transport networks. However, being geographically positioned between Europe and Asia, the country boasts a great transit potential – as there are no alternatives for Asian states to link to Russia and Europe. Relatively diverse landscape and availability of natural stone reserves allow unrestricted development of railways and automobile routes. Automobile and railway routes represent the majority of ground transportation routes, with the total distance covered of 88,000 kilometres and 14,000 kilometres respectively. The total length of navigable waterways make up 3,900 kilometres, and the total of air routes distance make up to 61,000 kilometres. Density per every 1000 square kilometre stands at 5.1 km for railways; at 32.4 km for automobile routes with hard surface; and at 1.5 km for inland navigable waterways.

At present, there is an issue of transport infrastructure being in poor condition and transportation technology being obsolete. From the total cost of goods and services in Kazakhstan, railway and automobile transportation costs make up about 8% and 11% respectively. This is high compared to industrialised countries with an average of 4%–4.5% for either transport category. As a result, the transportation costs' burden in the economy exceeds that of the major industrialised nations twice on average.

Four international transport corridors cross the territory of Kazakhstan and are formed based on transport infrastructure existing in the country. Corridors help significantly decrease distances in the East–West connection, as well as cut down time of cargo delivery. Robust growth of China's economy, in particular its western regions, boosts the demand for deliveries of a large spectre of goods to global markets even today. At the same time, according to experts, current transit in Kazakhstan does not fully employ the potential of the sector and that of the country. Taking into account their geographical location, Kazakhstan, Russia and other CIS countries are considering the possibilities to attract a significant portion of all cargo transits between the European Union (EU) and Asia – which is worth more than USD 600 billion.

Having attracted a critical mass of investment in a variety of sectors, Kazakhstan's infrastructure will continue to develop at a rapid pace. Therefore, the Government of Kazakhstan has elaborated and approved Strategy of Transport Sector Development (STSD) – which covers the period of 2006–2015 – executable in two stages. Stage 1: 2006–2011; Stage 2: 2011–2015. The amount of investments required for the construction of respective infrastructure within the 10 years will make up USD 26



Mr Mert Sari, Vice-President, Turkuaz Group of Companies, Turkey.



## Forum Day 2: Parallel Session 2

billion. The ultimate goal of the STSD is to ensure progressive development of transport and communications complex in line with economic strategy of the State. Mert said that based on his observation, the projects implementation in Stage 1 of the STSD is so far according to plan.

Kazakhstan's transport sector is bound to smoothly integrate into the global transport system. Transport infrastructure is supposed to be brought in compliance with worldwide standards. All this will enable the country to sufficiently increase the share of transit traffic, the core of which will be container traffic. Transit traffic will ensure substantial revenues for the central budget and transport companies.

STSD covers railways, automobile, in-city passenger, air and water carriage, efficient performance of which largely depends on respective policy pursued by the Government. STSD is intended to facilitate growth of trade ties between the West and the East by means of reliable and accessible transit routes. STSD provides for implementation of a customised model of meridian and latitude arrangement of the main routes and connecting legs.

The transportation and telecommunications sectors will need to grow in order to accommodate the needs of other industries. Growth here is likely to attract further investment in other

sectors, as these infrastructure changes improve the overall business climate. Although Kazakhstan has a basic transportation network and skilled labour force, much investment will be required in the years ahead. **Infrastructural investment requirements through 2030 are expected to total more than USD 25 billion** – and of this, 40% will be needed for railway transportation; 23% for highways and motor transport; 25% for telecommunications; and 12% for the air and water transport systems.

To conclude, as infrastructure development of railway and highway projects are going according to plan, in the future Kazakhstan will become a "bridge" linking Asia with Europe, as well as Russia with South Central Asian countries. There are big opportunities to invest in infrastructure in Kazakhstan.

**MR RASHAD-RUDOLF KALDANY, VICE PRESIDENT, ASIA, EASTERN EUROPE, MIDDLE EAST AND NORTH AFRICA (MENA), INTERNATIONAL FINANCE CORPORATION, UNITED STATES**, first reiterated Mr Mugo Kibati by saying that severe under-investment in infrastructure is occurring in many developing countries.



Mr Rashad-Rudolf Kaldany, Vice President, Asia, Eastern Europe, Middle East And North Africa (MENA), International Finance Corporation, United States.

Current infrastructure investment, both public and private, in the Middle East and North Africa (MENA) region is about USD 60-70 billion per annum. However, an estimated USD 100 billion per year is needed to sustain growth prospects of 6% per annum and create enough employment opportunities.

The private sector can play a major role in infrastructure investments matter. For instance, Malaysia followed by the Latin American region, has had one of the highest private infrastructure investments per capita in the world, and this clearly proved to what extent the private sector can help in a country's development.

**Filling the gap between infrastructure investment needs and actual investments in infrastructure requires partnerships between the public and private sector.** This is especially more imminent in countries where the public sector is not capable of "stepping up to the plate". In such a scenario, the only options available are infrastructure investments either through pure private investments or through public-private partnerships (PPP).

There are a number of ways on how governments can encourage PPPs, among others:

1. Build up the in-house capacity to manage the PPP programmes, to ensure that the overall sector is run on competitive cost recovery basis
2. Develop the robust pipeline of PPP projects
3. Strengthen the PPP institution regulatory framework and provide a transparent bidding process

4. Deepen the domestic capital and financial markets to help private sector access long-term capital and local currency financing
5. Address social and political concerns through the development of adequate social safety net mechanisms

Many countries in the MENA region are starting to involve the private sector more in infrastructure investments, for instance:

1. Syria launched its first PPP for power plant projects in 2010
2. Tunisia had its first private airport concession in 2008
3. Jordan had its first airport PPP project in 2007 under a 25-year concession award, with total project cost of USD 700 million
4. Egypt structured its first PPP for the design, financing, construction, operation and maintenance of a wastewater treatment facility in 2009, with total project cost of USD 440 million
5. Iraq launched four independent power plants through PPP in 2010

On a final note, Rashad stated that there are also a number of countries in the Central Asian region moving towards implementing more PPP projects, and thus there are tremendous opportunities in this region. He expressed enthusiasm and encouragement with regard to the prospects for PPP in Central Asia, among others.

# World Islamic Economic Forum Day 2

## Parallel Session 3

### Innovating SMEs: Driving Future Growth



MR AHMED KHEIZER KHAN, CHIEF OPERATING OFFICER, THE ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR (ICD), was the moderator for the session.

MR CARLOS CHEN-TSAIR CHENG, DEPUTY DIRECTOR GENERAL, SMALL AND MEDIUM ENTERPRISE ADMINISTRATION, MINISTRY OF ECONOMIC AFFAIRS, CHINESE TAIPEI, stated that Taiwan ranks number six globally in terms of global competitiveness as reported in the IMD 2011 World Competitiveness Yearbook. The World Bank Knowledge Economy Index (KEI) 2008 ranked Taiwan as number one in

terms of economic position in Asia. In addition, Taiwan ranks at number two in innovation ability in Asia. Carlos then highlighted the importance of promoting Small and Medium Enterprises (SMEs) innovation. To start off, the ability to innovate products or manufacturing processes becomes a core competence for industry competitiveness under globalisation. Furthermore, SME innovation creates wider utilisation and quicker development of information and communication technology (ICT) to meet industrious competitive needs. Lastly, it would narrow down the development gap among regions.

He went on to present Taiwan's approach to support SMEs' innovative growth. There are four major projects and policies implemented by Taiwan in this respect – Entrepreneurship

Navigation Project, Industry-Academia Collaboration, SME Innovative and Interpretive Service Programme on Industrial Clustering, and Application of ICT and E-commerce.

The Entrepreneurial Navigation Project is aimed at enhancing SME capacity through the strengthening of entrepreneurship development. The entrepreneurial structure contains three strategies; namely

1. Improving entrepreneurship development environment, establishing entrepreneurship knowledge and information platforms, and open new businesses to obtain start-up capital by increasing investments to secure entrepreneurial loans and provide assistance in research and development. The project aims to develop innovative SMEs to steer the sector;
2. To establish an efficient SME service network through the integration of SME entrepreneurship and innovation service centres across Taiwan, and to ensure implementation of radical strategies to meet enterprises' needs;
3. To ensure that the Government enhances SMEs innovative capacity

Another project to support SMEs – the Industry Academia Collaboration – is aimed at integrating all available industry resources and connecting intermediaries' intelligence with industries and academia. This is possible due to Taiwan's initiative to draw out relevant procedures and policies. In this regard, several major action plans have been implemented, they include: building regional centres of expertise, restructuring the institution of industry academia collaboration and promoting industry academia collaboration through strengthening the functions of entrepreneurs. Additionally, there are initiatives to increase the capacity of academia to manage Intellectual Property Rights (IPR), promote small business innovation culture, provide subsidy funds for knowledge service units set up for incubation centres, and facilitate the development of regional and innovative emerging businesses.

Yet another SME supportive project – SME Innovative and Interpretive Service Programme on Industrial Clustering project – is the first policy in Taiwan to react on industrial clusters especially for SMEs. It focuses on poor innovative types of clusters that emphasise technology, knowledge and services.



Mr Carlos Chen-Tsair Cheng, Deputy Director General, Small and Medium Enterprise Administration, Ministry of Economic Affairs, Chinese Taipei.

The objectives of this four-year programme are to establish 26 innovative SMEs clusters for informative and industrial purposes, offer technology and commercialisation assistance, promote absorption concept and the application of SMEs knowledge and service, and increase revenues of knowledge service providers. Another project is the application of ICT and E-commerce plan, whereby its strategies include facilitating a suitable environment for SMEs, building a conducive environment for SME E-commerce development, implementing a plan to narrow the digital gaps between industries, and to construct the SME online university project. The SME online university project would provide rich and diversified internal services to promote SME organisation study via an electronic environment to improve SMEs work force quality and increase SMEs compatibilities.

Carlos then highlighted the vital roles of the government in driving SMEs innovation and growth. **The government must have a long-term vision and initiate a feasible action plan to meet the needs of SMEs. This is necessary to integrate resources and to maximise diligence and promote SMEs innovative growth.** He also





Dr Maggie Kigozi, Executive Director, Uganda Investment Authority.

highlighted that innovation, speed, value and entrepreneurship are the key success factors of SMEs in the internationalisation process. The government must ensure that innovation policies can provide the channels for start-ups to have access to financing, research and development, marketing and commercialisation, and they must be able to promote the upgrading of technological and human skills.

He believes that Taiwan portrays a good example in having the initiative to learn the best practices in start-ups, innovation, incubation, composite building and new approaches for SMEs policies and instruments.

DR MAGGIE KIGOZI, EXECUTIVE DIRECTOR, UGANDA INVESTMENT AUTHORITY, pointed out that SMEs are the backbone of Uganda. Her definition of SMEs are those involved in the entire chain of agriculture, including farmers; rather than viewing farmers as poor individuals of rural areas. She stated that people, especially farmers, must perceive themselves as ambitious and profitable through the crops they produce.

There is a lasting need for food in the world, therefore the farmers' position has transitioned and must be acknowledged. Dr Maggie encouraged people to identify opportunities for farmers to do business, and to consider them as part of the business world. SMEs in Uganda widely employ women. Studies have shown that Ugandans are very entrepreneurial; they rank second worldwide in starting businesses.

A survey was conducted to gauge the kind of support they seek through the collaboration of government, private sectors and business associations with SMEs. The study reported that SMEs need access to information; be it of the market, products and tools. She highlighted that information can be disseminated by using modern technology, including communication tools such as mobile phone and internet. The SMEs also need capacity building; Dr Maggie suggested that entrepreneurship training programmes, projects, and short courses should be conducted in local languages to teach SME members to have a vision, to draft proper business plans, and to keep a simple book of accounts. She indicated that these training opportunities would bear a huge impact on the SMEs' growth.

SMEs should also be provided access to finance. SMEs lack access to financing with low interest rates. She remarked that the absence of a good business plan would cause inefficiencies

in programmes implemented to solve such issues. Additionally, their operations require technology and high-tech machinery. Uganda found the model of India and China to be the benchmark for their own implementation and development. SMEs also require support from government; she indicated that SME regulatory authorities make it difficult for SMEs to obtain licensing for company's registration, as cost and time for registration is intolerable.

She was delighted to note that the support for SME development has been initiated and results have proven successful towards enhancing growth.

**DR IR HJ MOHD ABDUL KARIM ABDULLAH, FOUNDER AND PRESIDENT OF SERBA DINAMIK GROUP BERHAD (SDGB), MALAYSIA,** shared his hands-on experience as a contractor dealing with regulators, and also as a reviewer of local and international policies and legal regulations.

He introduced Serba Dinamik Group Berhad (SDGB) as a contractor company founded by two individuals that emerged to become an organisation of 1000 employees. It operates in three different regions which span across Malaysia, Indonesia, and the Middle East – where it actively operates in Qatar, Abu Dhabi and Saudi Arabia. The company's core focus is in the oil and gas and power industry.

Dr Ir Hj Mohd Abdul Karim believes that the contribution of SMEs towards economic development and national growth is undeniable. He reported that the fall in SMEs performance is relatively lower compared to the fall in Gross Domestic Product (GDP) during economic recession in 2007. **According to him, individuals, institutions and countries must innovate – otherwise they will evaporate. The importance of innovation is to inculcate front-forward attitude to achieve extraordinary results.** He agreed with Mr Carlos, that technology is essential for SMEs. There is a need to engage in research and development activities. Additionally, he stressed the need for SMEs to brand their products and services to enhance capabilities for further success.

He concluded by emphasising the importance of SMEs towards the growth of economic development. He suggested the need

to establish a SMEs network group to complement the existing Young Leaders and Businesswomen Forums within the WIEF as a platform for SMEs.

**MR BEKZHAN KALIBEKOV, DEPUTY CHAIRMAN, JSC DAMU ENTREPRENEURSHIP DEVELOPMENT FUND, KAZAKHSTAN,** gave a brief introduction on the DAMU Foundation, a national institute for development that was established in 1997. The Foundation is wholly owned by the Government and has 16 regional branches in all the provinces of Astana and Almaty. It employs 270 employees and has assets worth USD 400 million, with capital of more than USD 300 million. He indicated that the Foundation gives out loans amounting to more than USD 4 million. It also participates in the 2020 Roadmap Programme, as a financial agent and operator for businesses.

He mentioned that the foundation aims to promote development of infrastructure and SMEs. This can be achieved through funding of non-financial programmes that support SMEs as the driving force of national economic development.



Mr Bekzhan Kalibekov, Deputy Chairman, JSC DAMU Entrepreneurship Development Fund, Kazakhstan.



(From L to R) Dr Ir Hj Mohd Abdul Karim, Linar G. Yakupov, Bekzhan Kalibekov

Additionally, the Foundation also seeks international collaboration to establish business connections with foreign partners. Currently, the foundation is working on an industrial project with the United Nations (UN) to establish an entrepreneurship development centre in Almaty. Moreover, the Foundation is collaborating with the Islamic Development Bank (IDB) in mobilising funds.

Kalibekov remarked that the foundation has collaborated with other governmental offices to implement projects to stimulate future SMEs growth, the first of which was implemented under the national programme of Kazakhstan 2020. The stages for project implementation include business training in Kazakhstan for SMEs' involvement with foreign consultants; and business internship abroad for study and networking. This includes internships at foreign enterprises and getting grants from international and foreign organisations. Finally, franchise acquisition and joint ventures will be made. In this phase, costs will be borne by the organisation as a hosting company. The foundation works to promote business connections with German partners and plans to send 60 of its best business people to Germany to establish good relations with partners, and share business programmes.

MR LINAR G YAKUPOV, CHAIRMAN, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AGENCY, REPUBLIC OF TATARSTAN, RUSSIA, introduced the Republic of Tatarstan as a developed region within the Russian Federation, which represents a significant number of successful SMEs in Russia.

During the Soviet Union period, there were only big industries, which were being developed under the central planning system. Since the 1990s, the decreased involvement in big factories has compelled the Government to mobilise the workforce, create more jobs, and derive policies to support SMEs. Linar stated that part of the support extended to SMEs, is in the form of infrastructure – incubation centres, techno parks and IT park; financial – grants and subsidies; and services – consultancy services, as well as import and export promotions.

He then highlighted that the major problem facing each government in support of SMEs is the huge mismatch between the demand for financial support and the capability of the country to provide it. He elaborated that due

to limited sources, allocation is restricted to fulfil SMEs' demand for subsidies, grants, and low-cost financing.

Linar believes that the best support for SMEs is to make the sector attractive for investment. A major concern arises however, given that medium sized companies are not large enough to attract investment and not small enough to be eligible for subsidies. As a solution, he proposed to ensure that all SMEs in Tatarstan would be able to gain access to domestic, regional and international investments.

Linar concluded by recommending that the government and the private sector should collaborate to support SMEs' development to become potentially significant contributors to the economy.

MR SEVKET CAN TULUMEN, CHAIRMAN, FOREIGN RELATIONS COMMISSION OF MUSIAD, TURKEY, introduced his organisation – MUSIAD – an organisation founded in Istanbul 21 years ago. It has 28 branches all across Turkey, mainly consisting of SMEs with 3500 members working in 15,000 different companies.

He defined a good innovation process by putting a spotlight on the three phases of a simplified innovation process. Innovation



Mr Sevket Can Tulumen, Chairman, Foreign Relations Commission of MUSIAD, Turkey.

can be defined as an idea, practice or subject that is perceived as an advancement or modification of existing knowledge. It can also be defined as the invention of new products and services. It consists of three phases; conception (includes project planning), implementation (includes testing and prototype pilot application), and marketing.

Sevket indicated that there is a difference between the European Union's and Turkey's standards and requirements for different categories of SMEs.

1. Micro enterprises must have less than nine employees and less than 1 million Turkish Liras in annual sales revenue; whereas in Europe the requirement for annual sales revenue should be less than 2 million Euros.
2. For small enterprises, the number of employees ranges between 10 to 49, and annual sales revenue should be less than 5 million Turkish Liras; whereas the EU's standard for annual sales revenue is 10 million Euros.
3. For medium enterprises, the range of employees is 50 and 249 persons with an annual sales revenue that should be 25 million Turkish Liras, whereas the EU's standard for annual sales revenue is Euro 50 million.

He related SMEs with innovation through a model called "BCF" (Better, Cheaper and Faster). The model defines the requirements of quality, cost and time for efficient innovation to promote better, cheaper and faster products and services. This is to improve competitiveness, increase profitability and strengthen stability.

Sevket then mentioned several barriers to SMEs innovation. These include financial bottlenecks, limited access to qualified personnel, limited internal and market knowledge, bureaucratic red tape, and a lack of knowledge in intellectual property rights.

He urged the importance of venture capital for funding SME growth by illustrating an exemplary success performance set out by Amazon.com. He concluded by highlighting the four main barriers that hinder SMEs' innovative growth: the difficulty to obtain access to finance, lack of qualified personnel, inadequate access to technological knowledge, and high cost of complex procedures to register SMEs.



# World Islamic Economic Forum Day 2

## Parallel Session 4

### Food Security: Balancing Trade and Social Needs



DATO' DR MAHANI ZAINAL ABIDIN, CHIEF EXECUTIVE, INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES (ISIS), MALAYSIA, moderated this session. She highlighted that in the future, food supply would be more uncertain as food prices become erratic. Taking Asia for example, it is estimated that by 2050, 70% of its population will be living in cities. This raises the question of labour supply sufficiency. Production of agricultural and food product, such as the amount of arable land and water supply are also expected to become insufficient in the future.

Touching on the present day scenario, Dato' Dr Mahani cited that there are many available and visible warning signs to the above forthcoming problem:

1. The World Bank, on 14 April 2011, issued a statement saying that rising food prices driven partly by the rising fuel cost are pushing millions of people into the category of extreme poverty.
2. The IMF warned, on 1 February 2001, that Asia faces the risk of overheating and devastating food inflation, and these tensions could lead to rising protection, social and political instability, and even spark war.
3. The Chinese State Council, on 13 April 2001, said that taming prices is the Chinese Government's top and urgent priority.

4. The Indian Minister of Finance, on 28 February 2001, said that the principal concern for India in 2001 is the continuing hike of food prices.

In justifying the Indian Minister, Dato' Dr Mahani said that from January 2010 to January 2011, the general food prices saw an average increase of 29%. This has raised the issue of food security; which covers sufficiency and sustainability of food supply, accessibility to food, affordable prices and the quality of food. **Today's dimensions of food security are therefore more complex, multi-scaled and interconnected.**

On a concluding note, Dato' Dr Mahani raised the issue of food reliance, in which it is beneficial for countries to review trade-related barriers so that the free flow of food can happen.

**H.E. SAKTASH KHASENOV, VICE-MINISTER OF AGRICULTURE, KAZAKHSTAN**, stressed that the world community in general, and the Muslim community in particular, is facing quite a number of challenges. One of the most important challenges is to ensure global food security for many decades to come. Many analysts predict that by 2050, the world's population will increase to 9 billion; while at the same time the amount of land suitable for agricultural activities decreases every year due to reasons such as water erosion, wind erosion and competition from construction and industrial use. This means that in the long run, in order for any country to ensure food security and quality, to develop its export capacity, and to produce environmentally friendly food, **it will need to solve challenges in relation to the fact that more food will have to be grown on less land.** H.E. Saktash said that this is all the more reason that common efforts be carried out in this respect.

Kazakhstan is especially mindful of its agricultural development and is concerned about its food security. That is why the country satisfies its own domestic consumption needs while exporting a large amount of products. The country has a lot of programmes and projects in the agricultural sector. The global financial and economic crises have pointed out some problems to which the country has reacted rapidly and strongly, as well by channelling USD 4 billion in investments into the agriculture sector. This has allowed the country to diversify the sector



Dato' Dr Mahani Zainal Abidin, Chief Executive, Institute of Strategic and International Studies (ISIS), Malaysia.

particularly, and the economy as a whole. In order to improve the export capacity, many new and improved infrastructures have been built, such as the expansion of a grain terminal at the sea port of Aktau, the acquisition of an expanded grain terminal in Azerbaijan's Baku, and the opening of new similar terminal in Iran's port of Amirabad – all of which are in the Caspian region. Such infrastructures have allowed Kazakhstan to have an export supply chain in order to supply its grains to South Caucasus and to a wider market in the Middle East. A new railroad is also being built to connect Kazakhstan, through Turkmenistan, with Iran.

H.E. Saktash pointed out that Kazakhstan is currently one of the top 10 exporters of grain and the world's top exporter of flour. Every year, the country exports its grains to more than 45 countries worldwide. And out of all of these exported grains, the Ex-Soviet states and the rest of the world account for about 2.6 million tonnes and 3 million tonnes respectively. The country is one of the most important players in providing food-grade grains to Central Asia. Despite the severe drought last year, thanks to measures taken by the Government, Kazakhstan was in a position not to introduce any ban or freezes on the exports of wheat and other grains, such as what Russia and Ukraine have done.



H.E. Saktash Khasenov, Vice-Minister of Agriculture, Kazakhstan.

Besides grain and flour exports, Kazakhstan also has a huge potential in the meat and livestock sector. The country is rich in pastures and this puts Kazakhstan in a favourable position to produce environmentally friendly meat products. Complete steps towards realising this potential have been taken, and Kazakhstan is implementing projects to expand its meat export capacity. The Government will be providing all the necessary financial support to the sector, and the amount pledged for 2011 alone is about USD 1.1 billion. **Kazakhstan is blessed with favourable conditions – land size and weather – for agricultural and livestock development.**

The Government has introduced various tax break incentives for agricultural producers – to further stimulate agricultural sector development. Over the last five years, the Government doubled its investment outlay for agriculture. At the same time, the country's foreign direct investments (FDI) in agriculture is very low, and this presents huge opportunities for cooperation. The development of mutually beneficial cooperation will enable Kazakhstan to make a valuable contribution in ensuring global food security. H.E. Saktash added that Muslim countries will need to develop cooperation in the area of agricultural technology

and innovation – as these will enable the improvement of agricultural output, as well as strengthen and enhance agricultural food security.

**MR MOHAMED AIT KADI, PRESIDENT, GENERAL COUNCIL OF AGRICULTURAL DEVELOPMENT, MOROCCO**, stated that food supply is increasingly threatened by scarcity and degradation of natural resources, namely water and land, as well as by the growing competition between agricultural and domestic municipal uses of water and energy. In the global context, food security faces an uncertain future.

Heads of states and governments have listed food security as a major global risk. Feeding the world's growing population and finding enough resources to grow food have continued to be basic yet sizeable challenges. These are enormous tasks because the required increase in food production to meet future needs will have to be achieved with fewer land and water resources. Mohamed stated that many countries including his native Morocco, lack the luxury of unused resources. Some regions face severe and increasing resource scarcity. South Asia, Near East and North Africa have exhausted much of their rain-fed land, and depleted a significant share of their renewable waters. **Today, more than 1.2 billion people live in river basins where absolute water scarcity and the trend of increasing shortages are serious concerns.** Expanding land under cultivation is possible only in Sub-Saharan Africa and Latin America, with the former holding 60% of the 1.6 billion hectares potential.

Mohamed said that in addition to this "hunger for land" and "thirst for water", global agriculture will have to cope with the burden of climate change whose likely impacts have been documented in great detail in many reports. Most of them have concluded that the global food production potential is expected to contract severely, yields of major crops like wheat and maize may fall globally, and the declines will be particularly pronounced in lower-latitude regions. In Africa, Asia and Latin America, for instance, yields could decline by 20%–40%. In addition, severe weather occurrences such as droughts and floods are likely to intensify and cause greater crop and livestock losses.

The implications are that food security for the chronically poor will deteriorate in four dimensions:

1. Availability of food will decrease due to scarcity arising from declining water resources, global population increase, worsening climatic conditions, changing food demands and shift from food to biofuel production
2. Poor people's access to food will decline due to worsening terms of trade between wages and food costs
3. Stability of supply is threatened due to increasing prevalence of disasters, uncertainty regarding food prices, and national protectionism
4. Safe and healthy use of food will deteriorate as the poor switch to diets lacking essential micronutrients increasing child malnutrition. Increasing food insecurity might lead to more competition over water resources, migration, difficulties of supplying cities, ultimate state failures and international conflicts



Mr Mohamed Ait Kadi, President, General Council of Agricultural Development, Morocco.

The Comprehensive Assessment of Water Management in Agriculture, which pulled together five years of work by more than 700 scientists and practitioners from around the world, concluded that **the world has enough fresh water to produce food for its entire population until 2050, but this can be achieved only if we act to improve water use in agriculture.** 75% of the additional food we need over the next several decades could be met by bringing the production levels of the world's low-yield farmers up to 80% of what high-yield farmers get from comparable land; and better water management plays a key role in bridging that gap.

The greatest potential increases in yields are in rain-fed areas, while there is a real scope to improve production on many existing irrigated lands. In South Asia for instance, where more than half the crop area is irrigated, additional food demand could be met by improving water productivity in already irrigated crop areas. Similarly in Sub-Saharan Africa, comprehensive water management policies and sound institutions would spur economic growth for the benefit of all.

In concluding, Mohamed recommended the following to mitigate food price problems:

1. At the national level, especially for developing countries, a win-win strategy for government would be to increase investment in agriculture, rural infrastructure and market access for farmers, especially small-scale ones
2. To expand social protection, both rural and urban, for the poorest
3. In terms of global policies and development aid, one of the top priorities is to eliminate agricultural trade barriers. This includes stopping biofuel subsidies as we look forward to a more transparent and fair global trade to enhance the efficiencies of agricultural markets
4. To expand aid and resources to agricultural and rural services;
5. To facilitate agriculture production response by science and technology-based solutions





(From L to R) Dr Dyno Keatinge, Director General, World Vegetable Center (AVRDC), Taiwan; & Mr Herbert Oberhänsli, Vice President, Head of Economic and International Relations, Assistant to the Chairman of the Nestlé Group – Economic Affairs, Nestlé S.A., Switzerland

DR DYNO KEATINGE, DIRECTOR GENERAL, WORLD VEGETABLE CENTER (AVRDC), TAIWAN, started by saying that **unless nutritional security is given an equal importance, the mission to provide food security will turn out to be a failure.** Vegetables are vital and considered a requirement for human health. It is very important that poor people be encouraged to grow and to eat more vegetables because currently people in general do not eat enough vegetables in their diet.

As vegetable availability falls, at the threshold of around 200 grams of vegetables per head per day, infant mortality and child under-nutrition have the potential to rise extremely rapidly. Dr Dyno expressed that if people do not have enough vegetable consumption, most of the Millennium Development Goals are not going to be achieved because the issue has a dramatic effect on human health. Unfortunately, **in the Islamic World, poverty and malnutrition is widespread – particularly in Sub-Saharan Africa and South Asia, with young women being mostly affected.**

In addressing the nutrients need of the poor, Dr Dyno explained that by following AVRDC technological development, a selection of vegetables enough to feed a family of four, can be grown on an available 6m × 6m piece of land. The total investment of setting up such a vegetable garden is about less than USD 10, as all that is needed left are the seeds. AVRDC in its gene bank has close to 60,000 separate accessions of different vegetable lines and about 430 species from 155 countries of origin. This means whatever environment that AVRDC is challenged with, it can find a vegetable that will grow sufficiently and suitably, while being nutrient-dense; which would be appropriate for a healthy diet.

In concluding, Dr Dyno requested everyone, especially the politicians, to avoid referring to the problem as “food security”, because to most people this merely means the availability of rice, wheat and maize. He urged that instead, the appropriate term for the situation was “food and nutritional security”.

MR HERBERT OBERHÄNSLI, VICE PRESIDENT, HEAD OF ECONOMIC AND INTERNATIONAL RELATIONS, ASSISTANT TO THE CHAIRMAN OF THE NESTLÉ GROUP – ECONOMIC AFFAIRS, NESTLÉ S.A., SWITZERLAND, highlighted the five dimensions of food

security which are: producing the necessary quantities covering the basic calories and proteins; generating reliable income for farmers; affordability of the food for low-income consumers; quality of food with provisions for nutrients, safety, and religious aspects; and access to food at the right time, in the right form, and at the right place.

Reiterating a speaker before him, Herbert said crop production globally is at risk due to expected water shortage as early as 2025. Massive overuse of water is happening globally and 70% of these occurrences are in farming. This, he said, is happening at the expense of nature, with lakes drying up and rivers not reaching the sea. Looking at the scenarios of population growth and increased food production to cater new demands, with the overuse of nature happening, one would realise that the energy and other natural resources will soon no longer be sufficient. Only about 50% or less of water wasted will be naturally renewed. A massive food crisis in the near future can well be expected if people do not start to exercise prudence in water usage.

Herbert stressed that there are ways to reduce the water wastage in agriculture. **Agricultural producers should be made aware of the fact that the actual physiological need of crops is only about 40%-50% of the water amount actually being used.** Thus, through more efficient and intelligent use of water, these precious natural resources can actually be saved. Secondly, through free trade, mobilisation and better use of land for rain-fed cultivation can be encouraged. There are large areas of rain-fed land particularly in Sub-Saharan Africa which could be a major food basket for the world. Thirdly, increasing productivity level would be an important point for low-yield regions, especially in Africa where per hectare productivity level is still far below the world's average.

The private sector can help in the mission to provide food security particularly by reducing the post-harvest losses of fresh produces. For instance in the specific case of milk, Herbert said that companies using the conventional produce transportation method can have their level of post-harvest losses between 15%-25%. Nestlé, using a modern and improvised approach, has managed to keep the losses level below 0.4%.

In generating reliable income for farmers, from one standpoint, Herbert mentioned that since under-nutrition is a lot more

common in rural areas, the farmers have a reliable market. Rural people who have direct contacts with the farmers tend to buy directly from them and thus, to a certain extent be paying a higher price for higher quality products. Unfortunately however, this situation is not favourable for other low-income consumers in rural areas.

In summarising, Herbert explained that to achieve an efficient water usage level in food production, private companies need the cooperation and understanding of the government, farmers and consumers.

DR JOHN K. MUTUNGA, CHIEF EXECUTIVE, KENYA NATIONAL FEDERATION OF AGRICULTURAL PRODUCERS (KENFAP), shared some facts and figures on poverty. **About 3 billion people worldwide survive on less than USD 2 per day; close to 1 billion people live on less than USD 1.25 per day; close to 1 billion people are starving and malnourished; and 8 million people die every day out of hunger and hunger-related diseases.** Dr John noted that nutritionally deficient women and children are highly vulnerable to morbidities, infections and infestations. He hoped the Forum may provide an opportunity for people to come up with an investment plan as a solution to the hunger pandemic.

Economic development is one of the key solutions to food security, as he mentioned that no economically developed country is facing the food security issue. If a country can achieve the goals of economic development then it can surely tackle the issues of food security and sustainability. **Food security refers to accessibility, affordability, and sufficiency.**

People must take up opportunities for investments to make food more affordable, and this may include outlays by government, such as the actions taken by Kazakhstan as mentioned earlier by H.E. Saktash. Dr John said people need to question themselves on their commitment towards improving food affordability, because one of the main causes of hunger is poverty. Technology advances have increased food supplies and has so far helped in avoiding the realisation of Thomas Malthus' theory which highlighted that population will expand greater than food supplies.



Dr John K. Mutunga, Chief Executive, Kenya National Federation of Agricultural Producers (KENFAP).

and mass starvation would prevail. Dr John thus said technology is a possible solution. In South Asia, East Asia and Africa the area of arable land is about 15%, 14% and 11% respectively. This sums up to about 40% of the world's total arable land area. In terms of population, South Asia, East Asia and Africa make up about 22%, 31% and 11% of the world's population respectively. This 64% in population total against 40% of arable land area is an imbalance that needs to be corrected, especially with the population in developing countries expected to grow a lot faster than developed countries i.e. double by year 2025. Therefore, technological innovations and its usage are much more required among developing countries, and investments in this area are vital. About 120kg to 140kg of fertilisers are used per hectare of agricultural land in Asia and Latin America, but in Africa it is only about 12kg for the same amount of land.

In closing, Dr John stated there are certain challenges that need to be overcome:

1. The enlightenment of people: which includes education and integration.
2. The beefing up of public-private partnerships practice; given that most countries have under-utilised their real potential
3. The need for mankind to deal with issues relating to climate change, especially with the odds not in our favour
4. The need to develop human capacity in order to meet the surrounding expectations
5. The need to develop a shared world vision on the food security issue
6. The need to have an efficient production systems in order to improve the economy
7. The need to have organised markets to stabilise food price
8. The need to reduce trade-related investment barriers



A delegate raising a point during the Q&A session.





# World Islamic Economic Forum Day 2

## Parallel Session 5

World of Halal:

Tapping the Potential of the Global Halal Ecosystem



MR JEREMY GREEN, MANAGING DIRECTOR, QUANTUM CAPITAL PARTNERS LTD, UNITED KINGDOM, was the moderator for the session.

MR MARAT SARSENBAEV, CHAIRMAN AND FOUNDER, HALAL CERTIFICATION COMMITTEE (HCC), KAZAKHSTAN, referred to the Halal industry in Kazakhstan; which evolved in 2003. He said that the Halal Certification Committee of Kazakhstan (HCC) has set Halal standards for sausages and tourism services for Halal hotels. In total, Kazakhstan has 11 international standards and Halal codes. Presently, more than 500 enterprises in Kazakhstan and 13 international companies are working closely on Halal standards.

Marat explained that the Malaysian Halal standards are being adopted on meat products, confectionary items, dairy products, ingredients in medical and healthcare goods, banking, insurance, logistics and hotels. Currently, the HCC is seeking assistance from Malaysia to provide guidelines on Halal auditing and certification.

The HCC has collaborated with Russian scientists to test and identify the presence of pork and alcohol in certain products. Tests were also conducted on genetically modified goods because genes of certain animals are prohibited in the production of Halal goods. In addition to this, the HCC has worked closely with the Kazakh agriculture sector in identifying chemicals that can be used and cultivating the growth of



Mr Jeremy Green, Managing Director, Quantum Capital Partners Ltd., United Kingdom.

agriculture. Intensive research had also been conducted by Kazakh scientists on Halal feed for poultry.

Marat conveyed his gratitude to the Malaysian experts from the Halal industry and other countries from Central Asia for assisting the HCC. This collaboration has provided the HCC with the proper training to guide their employees in providing Halal certificates. He also expressed his appreciation to the President of Kazakhstan because Muslims in Kazakhstan now have access to Halal food such as meat, confectionary and dairy products.

Marat concluded that **currently, the global Halal industry is worth more than USD 3 trillion and has huge prospects in the future.** He urged everyone to take advantage of this opportunity and to consume Halal food for good health.

In a reply to a question on whether fast foods were considered Halal, Marat said that some fast food restaurants in Kazakhstan are Halal because Halal meat is used in these outlets.

With regard to another question on what administrative measures were taken by the HCC in sanctioning organisations that do not keep to Halal standards after being certified, Marat responded that the particular organisations will be denied Halal licence privileges.

**MR ZHAFAR AZIZBAEV, DIRECTOR, HALAL STANDARDS DEVELOPMENT DIVISION, RUSSIAN MUFTIES COUNCIL (RMC), RUSSIA,** talked about the Halal industry in Russia which started in 2002. The Halal industry in Russia is composed of the production and distribution of Halal goods. Russia has adopted laws and standards permitting Muslims in the country to recognise the Shariah.

The Russian Mufties Council trains employees to deal with the production and distribution of Halal goods. **The process of verifying Halal certification is carried out by qualified personnel that are trained to ensure that Muslim consumers in Russia are consuming Halal food.**



Mr Marat Sarsenbaev, Chairman and Founder, Halal Certification Committee (HCC), Kazakhstan.

## Forum Day 2: Parallel Session 5

Throughout the years, the RMC has participated in various forums, conferences and exhibitions. The RMC has attracted huge interests from specialists in the field of research and development during the recent eighth International Halal Showcase (MIHAS) exhibition in Kuala Lumpur. Zhafar said this was a huge acknowledgement for the RMC.

Zhafar concluded by saying that countries should be more involved in other areas of the Halal industry. He cited an example of the RMC getting involved in providing Halal food for humanitarian aid during disasters. He said that this was one way of promoting the Halal food industry globally.

**MR KOEN DE PRAETERE, GENERAL MANAGER, VOLYS STAR, BELGIUM**, gave a brief history of his business encounter with Halal products in Belgium. After several requests from Muslim customers to sell Halal products, he ventured into the Halal industry for Muslims living in Europe.

Although the production of the Halal products was a success, Koen invested more time to study the industry and gain more knowledge about Halal products by attending Halal

workshops and seminars globally. He learnt about **the basic guidelines of the industry and the underlying Halal values, such as taking responsibility for the community**. The Muslim community has different schools of thought and different eating habits, creating diversity within the Muslim community.

After many years of research, Koen began to sell his Halal products in Europe, the Middle East, Africa and in Asia. As an entrepreneur, Koen said that he had to incorporate good values rather than just business methods and has urged to integrate them into his company's policies.

Koen concluded by advising entrepreneurs in the international Halal markets industry to incorporate values into their company and to take responsibility in incorporating them as he did into Volys Star's company procedures.

**MR BILL IBRAHIM AOSSEY, SENIOR DIRECTOR & FOUNDER, MIDAMAR CORPORATION, UNITED STATES**, stated that the Muslim World has the most important resources in the world and that the second most significant



(From L to R) Mr Zhafar Azizbaev, Director, Halal Standards Development Division, Russian Mufties Council (RMC); and Mr Bill Ibrahim Aossey, Senior Director & Founder, Midamar Corporation, United States



Mr Koen De Praetere, General Manager, Volys Star, Belgium.

commodity after oil is rubber; which is mostly produced in Southeast Asia. Rubber is a common component in the transport and medical industries.

The other vital commodities are tea, coffee, cocoa and black pepper; which are all produced by Islamic countries in Southeast Asia. A significant number of Muslim countries make up the longest coast lines in the world; which are suitable for fishing and sea transportation.

Bill exclaimed that the Halal industry is in many ways linked to the global population. For example, Saudi Arabia, Dubai and Abu Dhabi are resource-rich countries; however, import of Halal meat is still much needed in those communities. Likewise, certain countries in Africa and South America lack hard currency to import Halal food to feed their population. He added that **poverty leads to the lack of productivity, whereas the lack of food consumption hinders the growth of the Halal industry.**

In the United States, the Halal industry differs from other countries. Because of the diverse Muslim community in the United States, food consumption varies and the Halal industry there must consider the various cultural aspects of Muslim cuisine.

Bill reminded everyone of their responsibility towards global food security. About 70% of total hydrocarbons are gas, oil and coal – which are situated in Turkey and Central Asia, and are vital in the Halal industry. This is an important factor because nearly half of the global population is under the age of 30 and are main consumers of the Halal industry. Therefore, the changing world population will have an impact on Halal consumers, and it is our responsibility to take charge of this for the benefit of future generations.

In response to a question from the audience on whether fast food was considered Halal, Bill replied that **the fast food industry does have certain positive aspects in terms of hygiene –such as clean kitchens, well-groomed employees and good quality food.** Although the industry does educate its consumers on what to eat, the main problem is the overconsumption of food (obesity).

MR DARHIM DALI HASHIM, CEO, INTERNATIONAL HALAL INTEGRITY ALLIANCE, MALAYSIA, stated that there has been ongoing collaboration between Malaysia and Kazakhstan for the past 6 years in implementing good practices for Halal certification in Kazakhstan. He explained that the collaboration is also a convergence in bringing together both forces to work on the same wave length. Darhim highlighted 3 areas of convergence:

### 1. Convergence with the mainstream

Halal food is no longer a niche market in non-Muslim majority countries. Currently, Halal products can be found in major hypermarkets such as Tesco and Carrefour, and Halal is no longer associated with a particular ethnic type of food. There is a strong Muslim consumer market and there are huge prospects for it.



### 2. Other value-based industries

Halal is about Islamic values, and the Western concept of going green and environmental friendly had actually been mandated 1400 years ago. Darhim recommended a good book for reference entitled "Green Deen", which explains about Islam and the preservation of the environment.

He said it is important to associate the Halal industry as a value-based industry because of its quality standard. Halal is for all mankind and has a strong emphasis on cleanliness and good practices.

### 3. Convergence with Islamic Finance

Darhim said that Halal and Islamic Finance have always been discussed separately as two different industries. Companies that produce Halal certified products do not use Halal money and similarly, the Islamic financial world is not channelling investments to the Halal sector.

Earlier this year during the World Halal Forum, the Socially Acceptable Market Investments (SAMI) Halal food index was launched. The food index is a list that indicates food & beverage as well as fisheries & farming companies listed in Muslim majority countries that only produce Halal products. He said that they have tracked the performance of about 277 companies across 15 countries and the graph indicates that they have outperformed the market.

Darhim stated that the Halal industry has investment opportunities. Islamic Finance institutions need to know that there is potential growth and return of investments in this industry. One of the possible outcomes of the SAMI Halal index is the creation of exchange in mutual funds which is linked to this index. Therefore, Islamic funds from the Gulf countries can invest in the Halal sector and Muslim consumers worldwide would have a stake in the Halal industry.

He concluded that 57 OIC countries are net importers of food worth USD 40 billion. To enhance the Halal industry, these Muslim countries should regain control of the food chain and remain in charge of it.

In replying to a question on whether fast food is considered Halal, Darhim argued that Halal food has to be "tayeb" or good and most Muslims do not emphasise this aspect.

To a question on administrative measures taken to sanction organisations that do not keep to Halal standards after being certified, Darhim answered that enforcement and legal framework varies in many countries. **In Malaysia, if there was a breach of Halal laws, the guilty party can be imprisoned.** He also added that the United States, Brunei and Singapore have strict laws on this matter.

In reply to another question on drugs and pharmaceutical products from abroad that are not indicated as Halal, he said that from the Shariah perspective, there is a very fine line for supplements and medicines. One usually invokes "darurat" (emergency) and therefore medication need not be Halal. He believes that people should have the benefit of an informed choice. The Muslim Council of Britain (MCB) has worked with the National Health Service (NHS) in United Kingdom to inform consumers of the ingredients in medications. This does not only apply to Muslims, but it also applies to non-Muslims.



Mr Darhim Dali Hashim, CEO, International Halal Integrity Alliance, Malaysia.



# World Islamic Economic Forum Day 2

## Parallel Session 6

### Harvesting Alternative Energy: Cleaner, Greener, Safer



DR YURI SIGOV, US BUREAU CHIEF IN WASHINGTON, "BUSINESS PEOPLE" MAGAZINE, UNITED STATES, was the moderator for the session.

MR MUMTAZ KHAN, FOUNDER & CHIEF EXECUTIVE OFFICER, MIDDLE EAST AND ASIA CAPITAL PARTNERS PTE. LTD., SINGAPORE, indicated that there are increasing opportunities for clean and renewable energy. He pointed out the emergence of nuclear energy as an alternative, especially with the current developments in China and India. Clean energy has the potential to develop into a significant industry, as traditional energy fields are maturing. He drew attention to the fundamental differences

between Asia and the West. As the largest consumer of energy, Asia is not doing enough. Leadership of clean energy however, is moving to Asia because of the sheer market size potential.

Most governments in Asia already have the required legislations in place and are providing more incentives to develop the renewable energy sector. The industry is presently characterised by many different forms of energy under two main segments: renewable energy and low carbon conventional energy. Wind, solar, geothermal and biofuels energy are examples of the renewable energy. Although it is a common perception that



Dr Yuri Sigov, Us Bureau Chief in Washington, "Business People" Magazine, United States

clean and renewable energy is an expensive affair, Mumtaz believed this to be incorrect. As prices of conventional energy increase, clean and renewable energy becomes more competitive. The cost of producing solar and wind power has also reduced significantly. There is therefore a point of inflection at which this interaction allows for the price of oil to increase, but of renewable energy to decrease. In fact, renewable energy would be in great parity with fossil fuel in times to come.

Despite the financial slowdown, there are huge opportunities for those interested in this sector, and there will be steady investments into Asia due to its natural demand. He gave the example of Kazakhstan, which has shown a strong commitment to renewable energy. His personal goals are to establish a fund for clean and renewable energy in the Middle East and South Africa by the end of the year.

MR DOUWE TIDEMAN, PARTNER, ENERGY, CHEMICALS AND UTILITIES DIVISION, BOOZ & COMPANY, introduced Booz & Company as an organisation that does a significant amount of work in the energy sector.



(From L to R) Mr Mumtaz Khan, Founder & Chief Executive Officer, Middle East and Asia Capital Partners Pte. Ltd., Singapore; and Mr Douwe Tideman, Partner, Energy, Chemicals and Utilities Division, Booz & Company





Mr Aidar Kazybayev, Chairman, Committee of Trade, Ministry of Economic Development and Trade, Kazakhstan.

Commenting on the current trends in the energy sector, Douwe stated that there are several significant forces of supply and demand in motion. For example, there exists an increased tension on the supply side of energy, whereas people are aware of the debate in peak oil; in which oil and gas resources have a limited life. For countries supplying fuel, national interest is becoming increasingly important. Governments are beginning to assert themselves on the global front in demanding how much hydrocarbon is to be extracted within the country. Another trend is that the regulatory and technological environments are becoming more adaptive and fuel-efficient respectively.

Douwe went on to speak about the trends in nuclear, gas and wind energy; which are significant contributors to the economy. Nuclear power had a disastrous and detrimental effect on Japan; however, nuclear energy has immense advantages. Today, there are about 440 nuclear power plants in operation and 34 under construction worldwide, 100 of these plants are expected to have a major impact on compact energy portfolio. Meanwhile,

gas stands out as a big winner in the short term because it is a much cleaner energy than the other alternatives. Wind energy is of particular interest for Kazakhstan, as it is a rapidly growing industry. China is currently the largest wind power producer in the world, with an output representing 85% of the world's installed wind power capacity. In Kazakhstan, investments still need to be made as the country has very high fixed costs despite a low variable costs. Douwe concluded that countries must have the unique ability to combine the oil and gas portfolio with that of renewable energy technologies.

MR AIDAR KAZYBAYEV, CHAIRMAN, COMMITTEE OF TRADE, MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE, KAZAKHSTAN, spoke about initiatives within Kazakhstan, and their primary objectives to ensure economic stability.



Mr Mumtaz Khan, Founder & Chief Executive Officer, Middle East and Asia Capital Partners Pte. Ltd., Singapore.



Delegate raising a question to the panellist on alternative energy.

Energy will be a significant industry in the future, and with Kazakhstan being one of the biggest producers of mineral resources, it has the capacity to provide a number of energy solutions to the region. Alternative energy is another area the country is looking into, namely innovating for wintertime and making full use of solar energy. Within the next five years, the country will move towards constructing premises and platforms for scholars and scientists to emerge with ways of providing green energy.

On a final note, Aidar mentioned that Kazakhstan would be organising an expo on the subject of energy, and the country is expecting to have three to four million attendees. The expo will give the scientific research community an opportunity to deal with the issues of moving away from traditional energy resources to clean and renewable energy.

PROF. UMAR IBRAHIM VADILLO, ECONOMIC ADVISOR, KELANTAN STATE ADMINISTRATION, MALAYSIA, commented that for Muslims, the concern for the environment was not a technical problem, but rather, one that stemmed from the love and worship of Allah. While disapproving of capitalism in principle, he saw it as being the underlying structure that is essentially bad for the environment.

# World Islamic Economic Forum Day 2

## Plenary 3:

### Islamic Banking and Finance: Raising the Bar



(From L. to R) Mr Nicholas Kaiser, H.E. Bolat Zhamishev and Mr Mohammad Faiz Azmi.

MR MOHAMMAD FAIZ AZMI, SENIOR PARTNER AT PRICEWATERHOUSECOOPERS (PWC) MALAYSIA & CHAIRMAN, MALAYSIAN ACCOUNTING STANDARDS BOARD (MASB), moderated the session. He indicated that the speakers would address specific geographical areas to explain different perspectives on Islamic Finance. He opined that the session title, 'Raising the Bar', surrounded the question on whether Islamic Finance was in good standing. He also remarked on the relatively small size of the industry and the challenges that it faces.

H.E. BOLAT ZHAMISHEV, MINISTER OF FINANCE, KAZAKHSTAN, declared that the role of Islamic Finance has increased significantly in Kazakhstan. Much effort has been made to introduce the principles of Islamic finance in the country. This includes the establishment of several Islamic financial institutions such as Islamic banks, Islamic insurance companies, and most importantly – amendment of banking legislation.

A particular feature of the Kazakhstan Islamic banking model is that it does not allow for an Islamic banking window to be opened

in commercial banks. This is not commonly practiced in other countries where traditional banking is present.

H.E. Bolat stated that the Islamic banking regulatory framework in Kazakhstan has significantly developed since the establishment of Islamic banking in the country. The development process needs global support and international expertise to complement local talent. In his view, the overall banking system, including operational development of Islamic banking in Kazakhstan, can complement the development of its regulatory framework during the initial stage of growth.

Improvements made to the legal framework allow the Government to provide opportunities for sovereign borrowing using Islamic financial instruments. He hoped that the parliament's verdict to endorse the amended legislation would allow a positive force into the banking sector. Moreover, it is important to set opportunities to diversify public and state borrowings. For the state, improved legislation will allow diversification of risks and expansion of product lines with support of governmental action. He reaffirmed that external borrowings are only sought for an objective use – in case of necessity. He also noted that the budget deficiency must be reduced within three years to 1.5% of Gross Domestic Product (GDP) to reduce the need for borrowings.

Islamic financial instruments must be primarily channeled to the private sector. He praised the flexibility of Islamic financing instruments that sustain their proven reliability, decent risk, and convenience to borrowers despite financial crisis.

His Excellency took the opportunity to invite the audience to address theoretical and practical issues on problems faced in application of Islamic financial instruments. Such issues must be addressed as they deal with legal authorities and regulations.

**MRS RAJA TEH MAIMUNAH RAJA ABDUL AZIZ, GLOBAL HEAD, ISLAMIC CAPITAL MARKET, BURSA MALAYSIA**, addressed the current state and global challenges facing Islamic banking and finance. She announced that the global Islamic financial assets worth USD 1 trillion today are diminutive compared to the global market size. She highlighted that 90% of that figure is contributed by members of the OIC countries – that makes up only 10% of the Muslim



Mrs Raja Teh Maimunah Raja Abdul Aziz, Global Head, Islamic Capital Market, Bursa Malaysia.

population, including Iran, Saudi, Kuwait, Qatar, UAE, Malaysia. Paradoxically, 90% of the world's Muslim population is not yet served with Islamic banking.

She then highlighted that the **two biggest challenges in introducing Islamic banking in the global markets, are lack of regulatory framework and deficiency in tax laws**. She elaborated that if tax neutrality is not given for basic Islamic banking sale (purchase and lease transactions that would usually attract stamp duty), this would render Islamic finance costly, and the sector will lose its attractiveness.

Governmental concerns to pass Islamic banking and finance laws also prevail in most markets. She pointed out that the reasons for issues surrounding the global development of Islamic banking are: misconception that Islamic banking and finance facilitates terrorism funding; loss of revenue that is not earned due to tax utility; and shallow understanding that the Islamic banking sector shadows its conventional counterpart. Its interest-free feature



## Forum Day 2: Plenary 3

does not necessarily reflect cost-free advantages, thus people will most likely opt for conventional banking.

Raja Teh Maimunah indicated that the size of the Islamic banking market is still relatively small compared to the current global Sukuk industry that stands at a lower USD 130 billion in comparison to conventional bond industry of USD 85 trillion.

In response to the queries 'how to make the market bigger' and 'how to allow OIC member states to tap into the Islamic capital markets to fund infrastructure for the growth and development of Muslim economies', she addressed the concern of people shying from the Sukuk market.

She said that this is predominantly due to costly pricing of instruments resulting from the absence of benchmark pricing.

She stated that **as people do not have a pricing reference for Sukuk, they tend to perceive Islamic products as risky and become inclined to attach risk premium to it.** A full benchmark yield curve must be present to drive the Islamic capital market.

Government support is vital in developing Islamic banking and finance. The government should at least help start the market off by providing price guidance. She recounted the exemplary move by the Malaysian Government in 2010 to raise USD 1.2 billion in the market – not to raise USD but to facilitate benchmark pricing through price discovery. She pointed out that Malaysia has got the cheapest Ringgit Sukuk market in the world, rated 'A- long term', even cheaper than the local Ringgit bond market. She mentioned the Malaysian Government's accomplishment in selling Sukuk at 3.98% profit rate. She also highly praised the bold fact that the Malaysian Government entered the market, not to fund its needs, but to facilitate the development of the global Sukuk market.

The Malaysian Sukuk market is a very developed market, representing 83% of the national GDP. It is the only market with sovereign papers longer than five years ranging from 1 month to 50 years. It has a full benchmark yield curve for Sukuk which facilitates the growth of capital market.

She noted that industries and corporations alike are unable to tap into the Islamic capital markets without help from world governments, particularly in raising financing in domestic currency. For instance, the Malaysian Government must facilitate Ringgit issuances with government benchmarked issues.

She asserted that **Malaysia and Bahrain are on leading grounds, as no other market has the programme to facilitate the development of the Islamic capital market – particularly the Sukuk market.**

In a reaffirming note, she concluded by stating that the development of the Islamic capital markets, that is to say the Sukuk market and infrastructure financing for the OIC member states, is only possible with support from the central banks and governments to facilitate pricing and benchmarking.

**MR RICHARD THOMAS, FCSI, CHIEF EXECUTIVE OFFICER, GATEHOUSE BANK, UNITED**

**KINGDOM**, began by noting that five standalone Islamic banks exist in the United Kingdom. He expressed his enthusiasm towards Kazakhstan for allowing the establishment of standalone Islamic banks, and not windows. He personally agrees that it is the right path. He shared his experience working with Islamic banks for 31 years, while Islamic Finance has been in London for 35 years.

Richard stated that the Islamic Development Bank (IDB) exerted the first real influence on Islamic Finance inception in the UK when it came to seek for Islamic Finance solutions in the city formerly known for its merchant banking. Personally, he acknowledged this shift from the conventional market to the Islamic Finance arena. He was motivated to avoid the American model of debt, and enter the Islamic Finance market that engages in productivity financing, encourages productivity, new industries, workforce and growth.

He then mentioned some challenges facing standalone Islamic banks. The Islamic Finance model in Turkey suffered from inequality in tax and regulations, and now its value is left to be understood and developed. Nevertheless the country is courageous despite testing times, and promising opportunities await it in the open market. **The UK has an advantage as the centre for Islamic Finance in the Western World, as there is liquidity in its market.** Additionally, the UK has a legal system appropriate for international cross-border business with its English and commercial laws being closest to the Islamic contracts. Legal practitioners have also prospered through Islamic Finance.

Richard indicated that the Islamic Finance business has suffered partly through the strong connection with window banks due to frequent borrowing of conventional finances. Customers in England question the authenticity of "Islamic" banking products that merely seem like wrapped conventional products. Some even raise a concern if there should be a bank for Islamic Finance. In many cases, Richard shares their skepticisms.

He noted that it is difficult to segregate the regulatory system practices that regulate the dual banking system regime. Nevertheless, Islamic and conventional banking practices do differ. Their differences must be embraced to discover the advantages of Islamic Finance through the establishment of a standalone Islamic banking system.

He reported that in the UK, the Government together with cross-border working parties, is exploring the complicated issue of tax on debts or on equity products to deter leaps toward debt culture in finance. This is also to discern equal competition in pricing of equity and trade related products. He asserted

that taxes highlights the benefit of Islamic Finance products in competition with the well treated conventional debt products.

**For the Islamic Finance system to flourish, tax implications must be revised for it to operate its products without additional taxes.**

He is confident that the UK is moving towards a new door for Islamic Finance as the sector provides relevance to the domestic market. The UK looks to the Government while at the same time encouraging the establishment of infrastructure finance, especially in areas such as renewable energy.

He concluded by stating that it has been over 30 years since Islamic Finance was discovered in the UK. Through its cyclical progress, the sector now witnesses an uptrend. He extended his enthusiasm on the developments in Kazakhstan. He hopes that the country will enjoy the benefits from embracing the Islamic Finance system within its community of finance projects as in the UK.



Mr Richard Thomas, FCSI, Chief Executive Officer, Gatehouse Bank, United Kingdom, addressing his points on Islamic Finance.

## Forum Day 2: Plenary 3

MR SAAD RAHMAN, EXECUTIVE DIRECTOR, GLOBAL ISLAMIC BANKING, CREDIT AGRICOLE CIB, BAHRAIN began by narrating his experience of sharing the Islamic Finance framework with Kazakhstan seven years ago. He remarked on Kazakhstan's growth that has allowed it to establish itself as the centre for Islamic Finance in Central Asia. He believes a bright future awaits Kazakhstan in this regard.

Saad stated that **for a country, to attract funding from others, it must sell itself and address its key issues (be it of infrastructure, development or sovereign) to attract potential investors.** Also, the country must allow potential investors to see the benefits of investment in its locality. In this regard, forums such as this play a crucial role to address available benefits to outsiders.

He states that the three centres of Islamic Finance are Malaysia (Southeast Asia), the UK (Europe), and the Middle East. He then pointed out that the continually high paid fees for legal practitioners in Islamic Finance reflect one of the weaknesses of the sector. He stated that Islamic Finance must improve internally

before attempting to be a part of a successful economic system.

A significant part of liquidity in Islamic Finance is controlled by the third centre of Islamic Finance in the Middle East and the Gulf Cooperation Council (GCC) countries such as Saudi Arabia, Qatar, and the UAE. He mentioned that these countries generate Islamic banking and take it forward through the establishment of key Islamic banks. Al-Hilal Bank in Kazakhstan is the first Islamic standalone bank in operation to be established in the country.

He highlighted that a country needs to nurture an industry during its infancy stage. At a corporate level, Kazakhstan must actively encourage companies to engage Islamic Finance as a viable funding source. Returns generated must be cost competitive and transparent for borrowers. He urged the Kazakh Government to constantly support the industry to develop.

He also said that **countries should reproduce exemplary Islamic financial models such as the one in the UK – that sets in place stamp duty benefit and the right legal infrastructure.**

Meanwhile, in the Middle East, the benefit from relaxed tax regime and good legal infrastructure is also exemplary.



Mr Saad Rahman, Executive Director, Global Islamic Banking, Credit Agricole CIB, Bahrain.



Mr Nicholas Kaiser, Director and Chairman, Saturna, Capital Corporation, United States;

He then pointed out the three crucial steps for Kazakhstan to undertake in order to enhance its Islamic Finance system. These are: to ensure tax neutrality, to ensure legal infrastructure that facilitates Islamic Finance framework, and to ensure a platform for solutions such as restructuring alternatives to allow partners, debtors, and creditors to resolve issues arising from unsuccessful transactions.

Saad stated that infrastructure finance has a direct affinity for Kazakhstan, as the country should position Islamic Finance as a key component of its road, utilities and water financing. For this, Kazakhstan could collaborate with the IDB as an infrastructure project partner. In his opinion, the Gulf Cooperation Council (GCC) can have both conventional and Islamic Finance as two active participants of an industrial project simultaneously, sharing risks and rewards.

He concluded that Kazakhstan has a great deal to observe from the Middle East, starting with the retail sector. In order for the industry to grow and develop further, he stated that the

country must ensure tax competitiveness and tax neutrality, to attract investors in Kazakhstan with full confidence.

MR NICHOLAS KAISER, DIRECTOR AND CHAIRMAN, SATURNA, CAPITAL CORPORATION, UNITED STATES, began by remarking that the development of Islamic Finance in the United States is very challenging. Nevertheless on a positive note, he stated that this may change due to the failure of the conventional banking system – following the 2007-08 financial crisis. This has led the country to seek for new ways and opportunities to adopt the Islamic Finance model that have demonstrated resilience and growth. Additionally, change in political administration has given way to a broader Islamic banking outreach into the world, especially in the Islamic countries.

He then talked about a successful sector in the economy, i.e., mutual funds, which as a sector is larger than banking and insurance. He stated that the American mutual fund is essentially Islamic, as the funds are invested in activities the prospectus called for, and risks and returns are shared without guarantee.

Such a structure has worked well in Islamic equity funds that invest in Shariah-compliant firms. He stated that surprisingly the two largest Shariah-compliant retail funds in the world are in the United States – a large market with opportunities to expand the Islamic Finance horizon.

Nicholas then addressed ways for Islamic financial institutions to harvest success in mutual funds. An independent board of trustees elected by investors, must be set up. The board must comprise those to whom management reports, and those in charge of investors' growing interest. Transparency and honesty must be observed when explaining products and services to investors. There are chief compliance officers, and whistleblowers in the US whose reporting rights are well protected. There is also prosperity through equal rights of women in the US. The people have integrity and education, they help prevent corruption and abuse of power. Furthermore, the accountability of managers is ensured as they are responsible for the results they achieve for investors.

Nicholas concluded with a bold recommendation that all Islamic institutions must broaden their base of participation by being open, honest, and transparent – to attain greater success in the future.



# World Islamic Economic Forum Day 2

## Plenary 4: Global CEO Panel

Innovative Leadership, Capitalising on Complexity



MR ALAN FRIEDMAN, CHAIRMAN & FOUNDER, FBC GROUP LTD, UNITED KINGDOM, moderated the session. He began the discussion with some context. He argued that to talk about the challenges of leadership of a CEO in the global economy, it would be prudent to spend some time focusing on the macro economy and the state of the world economy.

Clearly this is an interesting and complex moment in the world economy. It is now widely known that the global economy is largely driven by growth from Asia. One of the observations is that there are at least four or five different 'Asias'. There is the

traditional Asia, consisting of the two fastest growing economies on the planet, China and India; the associated north-eastern Asia of Japan and South Korea; South-Asia of the subcontinent; the important emerging power in Southeast Asia of the ASEAN Bloc; and of course Central Asia. Central Asia, he noted, is perhaps one of the least understood and yet one of the most promising aspects of the Asian story in terms of GDP growth, trade and investment flows.

This Asian-driven economic growth also contrasts with the United States, which is facing a debt amounting to USD 14 trillion: this is a situation that one does not like to dwell on due to the uncomfortable questions that arise. For instance:



Mr Aidan Karibjanov, Deputy Chairman, Samruk-Kazyna, Kazakhstan.

Why is the dollar not more depressed? Is it because so many oil producers like to hang on to dollars? What happens when they decide otherwise? What is clear is that this American debt is frightening; and there is no immediate prospect of any real fiscal discipline before the 2012 United States elections. Alan observed that it is virtually unheard of for a government to exert fiscal discipline 12 to 18 months before elections.

He further posed additional questions to the rest of the panellists: is there a risk of a 'double-dip' recession? Could the world economy falter? Most importantly, is there any truth to the predictions from global players that Wall Street will dip again?

The economic situation is compounded by the economic tribulations of Greece and Portugal, which are causing a real strain on the Euro. The struggling economies of the United States and Western Europe contrast sharply with the strong showing by the Asian economies and GCC countries also continuing to benefit from Iran's refusal to increase output as suggested by Saudi Arabia.

This is the global context of uncertain geopolitical growth that is powered by Asia, and the Middle East which has just come out of the 'Arab Spring'. It is now no longer prudent to think of the 'Arab Spring' as some Facebook youth phenomenon, and therefore urged on the importance of looking at its implications on the global economy, to determine the political and economic significance of these uprisings.

MR AIDAN KARIBJANOV, DEPUTY CHAIRMAN, SAMRUK-KAZYNA, KAZAKHSTAN, acknowledged that it was not an easy task to find the answers to all the questions posed by the moderator, and even the best brains in the world have not found answers yet. To place it in a Kazakh perspective, he pointed out that Kazakhstan is a relatively small economy and not a very significant player in the oil market, but it does have ambitions to double its oil production.

The question of fuel prices is still sensitive because a primitive approach would lead one to conclude that an increase in oil prices is good since it provides more money into the economy. However, there are two important factors that should be considered by every oil-producing country. First, it must be taken into account that the world economy is very fragile and the role of oil-producing countries is increasing. Simply put, the bigger your role, the more important your responsibility to the future of the world economy. There must be a balance between the interest of oil production and the welfare of other countries because one cannot enjoy the increased revenues if other economies are in recession.

Another factor is the soaring oil prices in the domestic market. Even now, there are issues with trying to keep some crude oil refined domestically because all independent exporters try to go to the world market, outside of Kazakhstan, which leads to higher oil prices, leading to higher food prices and inflation, which in turn, ultimately lead to social dissatisfaction.

To tie in with the moderator's remarks, he acknowledged that, indeed, given the global upheavals, receiving revenue in US dollars could be perceived as risky. However, Samruk-Kazyna (which has debts in dollars) has tried to undertake some

## Forum Day 2: Plenary 4

measures to secure part of their export revenues in alternative currencies besides the US dollar, in particular, the Chinese Yuan and Russian Rubles.

In answering the question as to which perspective Kazakhstan leans towards when it comes to the increase of oil prices, he noted that while USD 90 a barrel was comfortable for Kazakhstan, USD 60 a barrel was still acceptable for Kazakhstan's economy. Aidan however emphasised that it is important to have a long-term approach to the question of oil prices. Additionally, a comprehensive schedule showing when it might be necessary to increase or decrease oil prices is more important than actual oil prices.

When asked by the moderator whether he would buy a Greek bond, given the current economic situation, Aidan responded by stating that Kazakhstan faced similar problems when the banking crisis hit Kazakhstan. Sometimes



Tan Sri Azman Mokhtar, Managing Director, Khazanah Nasional Berhad, Malaysia.

the restructuring of debt is the only way forward to find a compromise between creditors and borrowers. He suggested that perhaps what the world economy needed was a lose-lose situation – ‘haircuts for everyone’ – in order to ensure improvement in the long-run.

By way of introduction, the moderator asked TAN SRI AZMAN MOKHTAR, MANAGING DIRECTOR, KHAZANAH NASIONAL BERHAD, MALAYSIA, what his own opinions were, given the situation of the global economy and what were some of the risks and challenges. Tan Sri Azman noted that in his opinion, the macro economy could be summarised in a few points. For starters, he said that volatility levels are already very high in terms of the frequency and amplitude of crises, but the anticipation is that it could get higher leading to a “perfect storm” scenario.

He posited that for Southeast Asia and East Asian economies, the 1998 Asian crisis prepared them somewhat for the 2008 crisis. As economic history is written, perhaps the 1998 crisis will be seen to have served as a ‘warm up’ to the recession that took place in 2008. In stark contrast to 1998, the Asian markets did not participate in the unbridled financial liquidity that ran amok in 2008. In some ways, Asian countries have been preparing themselves for such a crisis, for example, by having higher reserves at the macro level, which became a subject of discomfort and attack by some Western countries’ economic policy-makers and observers as being a rehash of global imbalance. However, he noted that there is nothing wrong with ensuring enough reserves with the aim of a healthy economy.

He continued to point out that the volatility is hitting a “perfect storm” in that it is not just financial. From financial, it has become economic, which has in turn threatened to spill over into the socio-political dimensions. All these aspects tend to interplay with each other, which goes to show the heightened volatility in the global economy.

He also added that the differentiation within regions only serves to highlight the fact that world economies are moving at different speeds. In essence, this is a “multi-speed” world. Asia is moving at different speeds from Europe, the United States and

other large economies because there is a premium towards size and scale, which also plays on the volatility and intensity.

Having set the context, Tan Sri Azman answered the question asked by the moderator by saying that he believed we wasted a crisis. This is clear when the question is asked, 'Have we made any fundamental changes since the crisis of 2008?' The answer is a profound 'No'.

The field of investment banking has not made any changes and is continuing with the same practices; some would even say they are more intensified. Indeed, investment banking and investment research have a very important role to play to ensure that capital allocation is done efficiently. Unfortunately however, this has not happened. Tan Sri Azman posited that at the heart of all this stands the question of whether this situation is governable or not – not necessarily whether it should be governed – but whether it is even possible to do so.

He recognised that there is a lot taking place now and some of it is in fact beneficial. Innovation has already happened. The question is whether this will be sufficient. The pessimistic view is, of course, that these innovations are not enough and the solutions provided are merely sub-optimal solutions. At the end

of the day, he stressed the need to understand that unnatural systems, such as printing money is not going to be sustainable.

Considering this "multi-speed" world, managers of economies and companies must first ensure that their economy or company is resilient. It is imperative for one to "robustify" balance sheets, as opposed to focusing only on armour-plating the economy. Furthermore, in addition to managing well, we need to remember that nimbleness is important. We need to do the necessary analysis and research to handle whatever situation comes next. It is an ugly world out there but there are many opportunities within it.

In response to a follow-up question from the moderator on whether the United States would default or just downgrade its debt, Tan Sri Azman responded that although he was not qualified to give such an answer, his opinion would go in line with the "End of Empire" hypothesis. Simply put, no empire has ever lived unsustainably and this is a well-known fact; things happen and we cannot tell when they will happen. He acknowledged that American innovation and ingenuity is alive and kicking. However, whether this would be enough on a macro level remains to be seen.



The noteworthy discussion raised a number of inquiries from the audience.



## Forum Day 2: Plenary 4

While acknowledging that the world economy is indeed growing with 75% of global growth from Asia – with American and European being weak spots, within the next two to three years, he asked whether we expect to see more trade and investments, capital flows, Foreign Direct Investments (FDIs) flows intra-Asia. The short answer is: follow the money. If one were to map the flow-numbers of the economies in the West in terms of wealth, knowledge and talent, it is obvious that these three items would still be there for a long time.

The more interesting question is whether there can be symbiosis between these developments. There will be interesting permutations of this, for instance, will we see a reversal of the brain-drain? Will the Western people move to the East looking for opportunities? What are East and West anyway, given the scientific advances that render distance a non-issue?

MR TANRI ABENG, FORMER STATE MINISTER OF STATE-OWNED ENTERPRISES & CHAIRMAN, EXECUTIVE CENTER FOR GLOBAL LEADERSHIP, INDONESIA, was asked what considerations a good CEO should have with decision-making given this context of a global economy.

Each country, under different circumstances is developing their own strategy to maintain their macro-economic stability to drive economic growth. However, he strongly believes that in any country, development and value-creation is created by the business community and not the government. This means that the role of the CEO is still very important.

He noted that the cycle of the economy is getting shorter and more unpredictable. Given these circumstances, it is difficult to plan ahead. Therefore, the CEO must have the fundamentals of good management: the right strategies, system, structure and people must be employed and adhered to because without them, the CEO cannot manage the unpredictability and volatility.

The problem is that in any industry, the private sector is more entrepreneurial driven – which meant that in the 1998 crisis, they



Mr Tanri Abeng, Former State Minister of State-Owned Enterprises & Chairman, Executive Center for Global Leadership, Indonesia.

went bust. This is in direct contrast to state-run enterprises which are management driven; that unfortunately means that when a good opportunity comes, they cannot capitalise on it due to bureaucracy.

CEOs have now realise that they need to couple their entrepreneurial vision with a focus on management discipline. They also need to develop the capacity to communicate in order to ensure that their mindset reflects the global horizon both financially and culturally. In that, communication skills are incredibly crucial. Global forces mean that to work globally, the mindset needs to be global and needs to understand other cultures. Businesses can collapse based purely on cultural differences.

The next question went out to the entire panel; asking how a CEO should lead.

Mr Aidan Karibjanov stated that what is important is to be down to earth. It is good to have imagination, but a CEO must be practical, reasonable and sometimes tough. A CEO should have a clear line of pros and cons given the global context, whereby some companies are bigger than some countries' GDP. At the end of the day, he added, **we must also think about the citizens and the future of the country, not just profit margins.**

Tan Sri Azman Mokhtar said that the first thing to have is humility; the quality to admit when one does not know and thus, surrounding oneself with qualified people based on merit. It is a collective effort of constant reminders and checks from the people around the CEO because it is quite difficult to delude a big group.

The CEO must understand that he will have to answer to society through public relations, and he must be authentic when it comes to handling that responsibility given that it is a trust given by the public. A CEO must also engage the political and regulatory side, because those in government also have to handle all the stakeholders (the public). This requires a very flexible and nimble leadership and it must, above all, be done collectively.

Tanri Abeng reaffirmed what Tan Sri Azman said about the social responsibility of the CEO, saying that leaders now more than ever need credibility. If a leader does not have credibility, leading a company would be problematic. The CEO must be externally trusted and internally accepted in order to have such credibility.

Responding to a question from the floor, the panellists agreed that Public-Private Partnerships (PPP) should be very closely pursued as the way forward since they consider the interests of both private sector as well as the public.

The panellists concurred that there are indeed Islamic values and codes when discussing CEOs and leadership especially when speaking about ethics. It was pointed out that in the opening ceremony of the 7th WIEF, for instance, all the speakers spoke about the same concerns: corruption, tolerance in the Islamic World, corporate governance, and educating the youth. All these concerns are uniform; meaning that all can be

subject to the same code of ethics. Most countries are now enacting laws to allow Islamic financing, but at the same time

emphasising and respecting the right of all religions. **What is important is to support a balance of stability, both social and economic, in our societies. These ethics are being followed both directly and indirectly through the principles of integrity and honesty.**

Another question was raised from the floor concerning the tension between Saudi Arabia, Iran and Iraq, which certain quarters think could result in a war. The current concern is – if such a war were to happen, how would this affect the global economy? The panellists noted that although they were not qualified to answer such a question, it was clear that the pain threshold of the world economy would be severely tested by the oil prices. They agreed that although this is seemingly an isolated geopolitical issue, it should be discussed even if it is a negative issue since the implications would be far-reaching. The price of oil has to factor in the social and economic welfare of countries around the world and this would underscore the case for being resilient.



A delegate pleased with the feedback from the panellists.

# World Islamic Economic Forum

## Globalising Growth: Connect, Compete, Collaborate

### Concluding Session



Several WIEF International Advisory Panel members gather on stage with the Deputy Prime Minister of Kazakhstan during the Concluding Session.

MR IAN BUCHANAN, SENIOR EXECUTIVE ADVISOR, BOOZ & COMPANY, AUSTRALIA, noted that the Forum was held amidst challenging global conditions and with the theme "Globalising Growth: Connect, Compete, Collaborate", the Forum focused on building a consensus on practical and innovative approaches to address socio-economic imperatives impacting the Muslim World.

The Forum, which was officiated by H.E. Nursultan Nazarbayev, the President of the Republic of Kazakhstan, also saw the attendance of His Excellencies President Ismail Omar Guelleh of Djibouti, Prime Minister Karim Massimov of Kazakhstan, Prime Minister Dato' Sri Najib Tun Abdul Razak of Malaysia, Prime Minister Oqil Oqilov of Tajikistan, Vice President Prof Dr

Boediono of Indonesia, Deputy Prime Minister Dr Ros Nuri Shawels of Iraq and First Vice Prime Minister Omurbek Babanov of Kyrgyzstan, former Leaders, Dr Ahmed Mohamed Ali Al-Madani, the President of the Islamic Development Bank (IDB), Ministers, Chief Executives of leading corporations, thought leaders from the private and public sectors as well as representatives of the creative arts world.

The Forum attracted more than 2500 delegates from 42 countries and led to constructive discussions on developing leadership, supporting entrepreneurship and SMEs, empowering businesswomen, globalising Islamic banking and finance, enhancing food and energy security, tapping into the Halal industry, investing in infrastructure development, harvesting alternative energy and innovating SMEs.

The Forum recommended the adoption of the following key priorities to achieve its theme – “Globalising Growth: Connect, Compete, Collaborate” – to realise both sustainable growth and equity:

1. Good governance must be institutionalised and practiced by both governments and the private sector.
2. Further liberalise trade, investment, knowledge, culture and labour flows within Muslim countries.
3. Social entrepreneurship as an altruistic social development initiative should be propagated and developed in Islamic societies.
4. Muslim countries and sub-regional groupings should collaborate to develop Green Growth Roadmaps which encompass energy, food security and the environment.
5. Supporting the development of the Halal industry through a collaborative development of Halal integrity standards.
6. Development of a harmonised regulatory framework to accelerate the growth of Islamic Banking and Finance globally – including Shariah-compliant micro-finance.
7. Strengthen public-private sector partnerships for infrastructure development, tourism, healthcare, education and skills development in developing economies to enable efficient implementation and delivery.
8. Emphasise innovation, competition, collaboration and knowledge transfer as key drivers to develop successful SMEs and entrepreneurs.

The Forum welcomed the suggested initiatives from the President of Kazakhstan to assess the potential for a Science and Technology Innovation Hub and from the President of the IDB to work with the WIEF and member countries to identify additional specific projects and to prepare an annual report on that respect.

Agreements covering a wide array of industries – banking and financial services, ICT, the food industry, education, and training – were signed during the Forum. Ten countries showcased trade and investment opportunities within their respective countries.

H.E. ASET ISSEKESHEV, DEPUTY PRIME MINISTER & MINISTER OF INDUSTRY AND NEW TECHNOLOGIES, KAZAKHSTAN & CHAIRMAN

### OF THE NATIONAL ORGANISING COMMITTEE FOR THE 7TH WIEF,

on behalf of the Government of Kazakhstan, expressed his gratitude to the delegates of 7th WIEF for attending the Forum. He also thanked Tun Musa Hitam – Chairman of the WIEF Foundation – for the special interest shown in Kazakhstan for this year's Forum.

The Forum has become an important platform for cooperation among Muslim countries. About fifteen contracts and agreements were signed during the 7th WIEF, and this number is a good indicator of such cooperation. Kazakhstan also signed an agreement with the IDB for the development of its agricultural sector.

As a host city, Astana has hosted three international forums, namely the Astana Economic Forum, annual meeting of the European Bank for Reconstruction and Development (EBRD), and the 7th World Islamic Economic Forum. In total, this has attracted an approximate total of 10,000 delegates from across the globe to Kazakh shores this year alone.



Mr Ian Buchanan, Senior Executive Advisor, Booz & Company, Australia.





(From L To R) The Hon. Tun Musa Hitam, Chairman, WIEF Foundation; and H.E. Aset Issekeshev, Deputy Prime Minister & Minister of Industry and New Technologies, Kazakhstan; & Chairman of the National Organising Committee for the 7th WIEF.

The 7th WIEF is unique in its format, as it takes a progressive approach with regard to its dialogue sessions. This can be seen in the Businesswomen and Young Leaders Forum, as well as the Marketplace of Creative Arts exhibition. The outcome of the dialogue sessions will prove to be critical in coming up with innovative solutions to advance the position of the Muslim World.

H.E. Aset reiterated H.E. President Nazarbayev's suggestion during the Opening Ceremony to pull together on resources for infrastructure and technological development – which will ensure things like innovation, business development, and support.

Finally, H.E. Aset stated that to ensure the success of future Forums, we must come up with ways to monitor the progress of recommendations made during the Form. He also made a suggestion to have Annual Reports for the Forum.

**THE HON. TUN MUSA HITAM, CHAIRMAN, WIEF FOUNDATION**, thanked the delegation of Iraq for their special presence at the 7th WIEF. He also recognised Kazakhstan's significant contribution towards the success of the 7th WIEF.

Tun Musa then commented on Mr Ian Buchanan's concluding statement as being symbolic of the WIEF in the sense that it encapsulated the important ideas churned throughout the Forum. The Forum has been attracted a lot of interest and has been high profile for the past seven years. Request for participation at the Forum has been tremendous and Tun Musa pointed this out as an indicator that the world's business community understood that the WIEF offered a unique opportunity for networking and building worthwhile connections.

Tun Musa Hitam then highlighted the fact that the Forum gives special focus to women and the youth. This special focus is reflected through the Businesswomen and Young Leaders Forum, which serve as platforms to empower these two important segments of the society.

In retrospect, Tun Musa said that the 7th WIEF has maintained and even improved its standards as compared to the past Forums. This was evident by the calibre of speakers present, as well as all the hard work done by the organising secretariat. Finally, he expressed his hope that the WIEF would continue to grow and improve as a world-class business forum.



# SUMMARY OF MEMORANDUMS

SUMMARY OF AGREEMENTS FOR THE 7TH WIEF,  
8 JUNE 2011 ASTANA, KAZAKHSTAN (AT MEDIA CENTRE)



## 1. Memorandum of Understanding between the Coca-Cola Company and the World Islamic Economic Forum (WIEF) Foundation.

### Signatories:

Mr Afzaal Khalid Malik, Vice President, International Government Relations and Public Affairs, The Coca-Cola Company and Tan Sri Ahmad Fuzi Bin Abdul Razak, Secretary General of the WIEF Foundation.

This MOA aims to form strategic alliances through the exchange of ideas, information and knowledge. The Coca-Cola Company agrees to cooperate and offer financial assistance to the WIEF in the cultivation of programmes and themes of discussion in implementing cooperation and socio-economic development within the Muslim World with an emphasis on less developed countries.

Both parties agree to have open discussions and debates that focus on promoting economic growth through trade and investment, along with fostering programmes to develop women entrepreneurship, combat poverty and to promote the development of the private sector.



## 2. Memorandum of Understanding on Scholarship Awards between Binary University College (BUC), Malaysia and the World Islamic Economic Forum (WIEF) Foundation.

### Signatories:

Dato' Prof Joseph Adaikalam, Executive Chairman, Binary University College and Tan Sri Ahmad Fuzi Bin Abdul Razak, Secretary General, WIEF Foundation.

This MOU establishes a scholarship programme to provide students, who have good academic standing and extra-curricular activities, the opportunity to pursue tertiary education at Binary University College.

The scholarships offered by Binary University Collage are in the form of full tuition fee waivers for a number of Postgraduate programmes. Currently, as a provision of this MOU, Binary University College is offering 10 full scholarships to students from Kazakhstan who are recommended by a committee from the WIEF.

LIST OF AGREEMENTS FOR THE 7TH WIEF, 8TH JUNE 2011  
ASTANA, KAZAKHSTAN (DURING OPENING CEREMONY)



3. Memorandum of Understanding on information exchange on trade and investment between the Kazakh National Export & Investment Agency (Kaznex Invest, JSC) and Kazakhstan–Malaysia Chamber of Commerce.

**Signatories:**

Mr. Yerlan Arinov, CEO of Kaznex Invest and Tunku Nooruddin Bin Tunku Shahabuddin, Chairman of Kazakhstan–Malaysia Chamber of Commerce.

This MOU is an agreement to exchange information on trade and investment including potential business partners in both countries, planned and actual investment projects, public statistical data, analytical reviews, results of market research, as well as information about state regulatory measures.

It also contains a provision to mutually support and implement activities that promote mutual trade and investment development in Malaysia and Kazakhstan. This includes trade missions, training tours for entrepreneurs, business forums, exhibitions and fairs on the priority industry sectors of agriculture and food, alternative energy, biotechnology, light, construction, mechanical engineering, metals, and chemical industry.



4. Memorandum of Understanding on Enhancing Expertise in E-government Services between MyEG Services Berhad, Malaysia and National Information Technology, JSC Kazakhstan.

**Signatories:**

Dato' Dr Norraesah Mohamad, Executive Chairman, MyEG Services Berhad, Malaysia and Mr Ruslan Ensebayev, Deputy Chairman, National Information Technology, JSC Kazakhstan.

The fourth MOU represents a joint collaboration in the area of e-government. Both parties agree upon deploying skilled expertise for specific projects concerning e-government in addition to exchanging experience and knowledge to further develop e-government services. The parties have decided to work together to provide training and technology transfer along with mutual and organizational support to promote technologies and to find solutions for projects.



## SUMMARY OF MEMORANDUMS

LIST OF AGREEMENTS FOR THE 7TH WIEF, 8TH JUNE 2011  
ASTANA, KAZAKHSTAN (DURING OPENING CEREMONY)



5. Memorandum of Understanding to collaborate in the ICT sector between MIMOS Berhad, Malaysia and "Zerde" Holding, JSC Kazakhstan.

### Signatories:

Dato' Abdul Wahab Abdullah, President & CEO of MIMOS Bhd, Malaysia and Mr Nurlan Izmailov, Chairman of "Zerde" Holding JSC, Kazakhstan.

This MOU is an agreement to cooperate as strategic business and technology partners in the following areas: exchange of ICT expertise, advanced training for experts in the ICT sector, and extensive consultation and support for development of ICT Research & Development in Kazakhstan. This entails undertaking field-testing, technology transfer and commercialisation of technological products.



6. Memorandum of Agreement to establish a Hajj Saving Fund between AmanahRaya Capital Group, Malaysia and Fattah Finance, JSC Kazakhstan.

### Signatories:

Dato' Haji Dusuki Ahmad, Chairman of AmanahRaya Berhad, Malaysia and Mr Zaratkazy Nurpiisov, Chairman of the Board of Directors, JSC Fattah Finance, Kazakhstan.

This MOA is an agreement to establish a Hajj (Pilgrimage) Saving Fund for the people of Kazakhstan, to help future pilgrims plan and save money to perform their Hajj and Umrah. Based on the successful model of Tabung Haji of Malaysia, this Hajj Fund of Kazakhstan aims to assist Kazakh Muslims to save money and perform their Hajj in a more systematic manner. Towards this end, Fattah Finance and AmanahRaya are also setting up a management company – to manage the operations and travel arrangements for Kazakhstan's Hajj Pilgrims and ensure that they are treated decently and provided with appropriate services and facilities during their pilgrimage.



7. Memorandum of Agreement to supply Halagel Products between Halagel Sdn. Bhd. Malaysia and Fattah Shop Company, Kazakhstan.

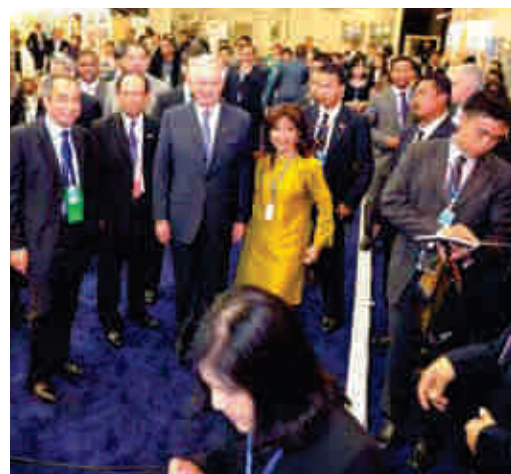
**Signatories:**

Mr Yerlan Zhansaitov, Director of Fattah Shop Company, Kazakhstan and Mr. Muhammad Azhar bin Abdullah, Chief Operating Officer of Halagel Sdn. Bhd. Malaysia.

This MOA is an official appointment of Fattah Shop Company, Kazakhstan as the exclusive distributor of Halagel products of Halagel Sdn. Bhd Malaysia, in Kazakhstan.







## 3<sup>rd</sup> Marketplace of Creative Arts

Defining Youth and the Muslim  
World through Arts

7 – 8 JUNE 2011

Palace of Independence, Astana





# 3rd Marketplace of Creative Arts Dialogue Session 1:

## The Art of the Tengri: Exploring the Culture of the Steppes



(From L To R) Mr Esengali Sadyrbayev, Mr Tolik Gadomamadov, Ms Gulnazim Omirzak, Ms Raushan Aspandiyarova.

Led by the moderator **MR ESENGALI SADYRBAYEV, PAINTER, KAZAKHSTAN**, the panellists began by discussing the origin of the Tengrian culture. **MS RAUSHAN ASPANDIYAROVA, PAINTER, KAZAKHSTAN**, noted that, before Islam or any modern civilisation arrived in the steppes of Kazakhstan, there was Tengri. Tengrian culture followed the influx of the Mongols into Central Asia and formed the basis of everyday living for people in the region.

Tengrian culture is reminiscent of Native American culture – from their traditional artwork to the ecologically sensitive outlook it

employs in order to be harmonious with nature. This was all tied together with an emphasis on simplicity and freedom; values that are still important today.

**MR TOLIK GADOMAMADOV, FILMMAKER AND ORGANISER, THE ROOF OF THE WORLD FESTIVAL, TAJIKISTAN**, began by introducing the 'Roof of the World Festival', a cultural festival of folk music and dance of Central Asia. The annual event is organised by local and international organisations active in Tajikistan. The international participants represent Tajikistan, Kazakhstan, Kyrgyzstan and



(From L To R) Mr Esengali Sadyrbayev, Painter, Kazakhstan; and Mr Tolik Gadomamadov, Filmmaker and Organiser, The Roof of the World Festival, Tajikistan.

Afghanistan. The festival includes performances, exhibitions promoting sustainability of natural resources, artisans from the participating countries, and documentaries about Central Asia. The aim of the festival is to encourage cultural tourism although it also indirectly exhibits the Tengrian values common to the people in the region. The festival changes its themes annually; from diversity one year, to culture and trade in the next year. All this take place amidst musical exhibitions and performances that are enjoyed by people within the region as well as outsiders.

Tolik highlighted the idea of using music as a tool to unite people and change their mentality by telling an anecdote: When God created man from soil; he invited the soul to inhabit the newly created body. However, the soul did not want to enter. The angels also implored the soul but to no avail. This was until God played music and the soul agreed to inhabit the man's body. *The lesson here is that music is a universal language that unifies, and everyone can understand it in relation to how they feel.*

All these themes are values that are held highly by the Tengrian culture and it would be ideal if they could be popularised in the world since they are not in conflict with any other belief system.

The moderator, Esengali Sadyrbayev, then asked the panel what should be done to preserve these traditions and to make them more popular.

MS GULNAZIM OMIRZAK, VISUAL ARTIST, KAZAKHSTAN, noted that each nation has strong traditions. These traditions manifest more readily in handicrafts and ornaments. *In order to preserve the traditions, more time and effort should be spent on educating the youth about them, and ensuring that there are enough artisans left to practice the art so that it is not lost.* Although there are aspects that can be taught in school, this is not a blanket solution since some aspects of culture cannot be taught in a classroom: furthermore, no such school exists.

### 3<sup>rd</sup> Marketplace of Creative Arts: Dialogue Session 1

Raushan suggested that a profit-oriented cycle can be started by employing people who play traditional music and create traditional Tengrian artwork. By introducing the concept of profit, the art would be preserved. Although the focus would be on profit, throughout this whole process there should be a view to maintain the traditional values of unity with nature and to avoid naïveté when it comes to preserving the environment. Tengrian art can be reused and is ecologically friendly.

Esengali agreed with this statement, pointing out that such art is very simple and economical when it comes to its creation. The government should also play a key role in marketing Tengrian culture and art. If true efforts are made towards this direction, the art will be more widespread.

All the panellists agreed that Kazakh traditions are a unique mix of Islam and Tengrian values with an emphasis on being ecologically friendly and easy for all humans to understand. As such, festivals like the Marketplace of Creative Arts can be used to advertise it to the world by drawing attention to the region. This will serve to make the festival more popular as well as spreading the message of universal humanity. An apt example is the Roof of the World festival which has been running for a few years and is growing in reputation by attracting those from the western hemisphere.

More festivals can and should be developed in Central Asia since the culture is so rich and encourages interactions: so when people see Kazakh culture and music then they will come to see more and discover each other's culture. This can be seen as developing humanity through cultural interaction.

Esengali strongly agreed with Tolik when remembering the Soviet USSR era. Due to the Soviet policies, people in the different Soviet states did not know each other's cultures. Now, however, this is changing and people are motivated to exchange culturally. This should be encouraged and expanded by inviting people from other countries to get together; the internet is quite handy and can be used to draw attention to such events. Obstacles such as visa requirements and other forms of bureaucracy are minor issues when one considers the main objective.

The moderator then posed the question whether Islamic culture has influenced the Tengrian culture and whether the two can coexist. The panellists explained that in actual fact, **all pre-Islamic cultures were somehow integrated into**

Islam. Today we see them as traditions and in some cases they are practiced alongside Islam as part of the religion. These practices do not go against Islamic values; indeed they only serve to highlight them. They all agreed that Islam nowadays is growing more progressive and open.

When Islam was introduced to Central Asia in the 8th and 9th century, there was a cultural exchange between the local people and Islam. **The Tengrian moral and cultural values became integrated with Islam which preached virtues such as tolerance and beauty.** This integration and influence can be seen in the ornaments and architecture of the older buildings in Central Asia; for instance the Mausoleum of Khoja Ahmed Yasawi in the city of Turkestan, in southern Kazakhstan which is a beautiful example of Tengrian-Islamic culture. A successful merging of cultures to live harmoniously, without problems, and with an emphasis on cultural expression through art, should be the standard that people live up to.



Ms Gulnazim Omirzak, Visual Artist, Kazakhstan



ETPLACE C  
IVE ARTS:





# 3rd Marketplace of Creative Arts Dialogue session 2

## Silk Road Revisited: Connecting Cultures Through Arts



(From L To R) Mr Bashir Ismail, Mr Madny Al Bakry, Prof. Eugene H. Johnson, Mr Iskandar Idris, Mr Agung Gunawan.

The moderator **MR BASHIR ISMAIL, HUMOURIST, ZIMBABWE**, asked the speakers how they manage to connect art and culture. He noted that it is important to observe culture and see how it connects people because finding common ground will improve communications and connection in people's daily life. Bashir experienced this first-hand due to his background as a Somali born in Zimbabwe where he grew up until he was fifteen before moving to the United Arab Emirates. Naturally, there was some cultural shock,

which took a while for him to integrate and understand. Five years later, he moved to the United Kingdom before moving to Malaysia. **It was only through an appreciation and respect of cultures that one can come to understand humanity as a whole. Culture is simply a means for humans to live their daily life and no culture is superior to another because people have different ways of doing different things.**



Mr Madny Al Bakry, Calligraffiti Artist, Oman

MR MADNY AL BAKRY, CALLIGRAFFITI ARTIST, OMAN, talked about his work and how he manages to connect art and culture. His work in 'Calligraffiti' consists of Arabic calligraphy combined with Islamic designs and African motifs. He observed that the more he progresses with his work, the more he gets a sense of how people connect through culture. Madny noted that people often view his artwork and remark that they see many different influences in it, which led him to conclude that his work does not belong to a particular culture or group of people. What was once thought of as African designs and patterns has also been seen in Australia, New Zealand and as far as South American cultures. This is what can be referred to as universal art because it transcends political or continental boundaries: it all stems from humanity. This is the true aspect of culture.

Madny went on to quote from the Holy Qur'an, Surah al-Hujurat (49:13), "O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes, that you may know each other not that you may despise (each other)." He added that Islam is a bridge that he utilises in order to connect people through his medium of art.

PROF. EUGENE H. JOHNSON, PHOTOGRAPHER, UNITED STATES, expounded his view on culture. One of the themes concurrent in his work as a photographer travelling around the globe has been the pursuit of beauty in the simplicity of life. As an example, he talked about one of his travels in

Northern Thailand among the Pa Dong women who are famed for having long necks due to the brass rings they wear around their necks. Prof. Johnson said that after taking their photographs he realised that in order to properly photograph these women, instead of focusing on their necks, one would have to seek for the common thread of universal humanity: the activities that they do every day that reflect all of humanity. This led him to seek out the meaning of culture.

These are two major themes or aspects of culture. There are the specifics of culture; that is, people who may share a common language or religion. Then there is the universal theme of culture, which is common to all humanity.

Prof. Johnson noted that, as a photographer, he is not interested in the specifics of culture, but rather the universal themes of culture. These are the aspects of culture that we all share, for instance seeking love, food and shelter.. **Universal culture is something that all mankind can relate to: unfortunately it is also this aspect of culture that is most commonly forgotten and overlooked. Many times, people go around the world noticing those who are superficially different and dwell on those differences instead of spending more time looking for the universal themes of culture.** This is what he aspires to search for in his art.

### 3<sup>rd</sup> Marketplace of Creative Arts: Dialogue Session 2

Art in itself needs no verbal language. Music from all over the world is beautiful; no one needs to understand anything besides the emotional intent of the music. Painting and other artwork does not need any verbal digestion, it can be appreciated purely for its beauty. Art in itself is an aspect of universal culture that goes back over 400,000 years. This means that the earliest relatives of human beings already had the need to express themselves through art. It is an inherent and absolutely essential aspect of human nature.

**MR ISKANDAR IDRIS, VISUAL ARTIST,**

**SINGAPORE,** touched on the mix of cultures in Malaysia and Singapore, with their own values and expressions. However because of this juxtaposition, when cultures intermingle, innovations and cultural inventions are born. Culture, is therefore, dynamic.

There are of course arguments that culture should be preserved against the pervasion and influence of other cultures or norms. However there is also value in allowing cultures to intermingle. Iskandar noted that in his own artwork, the culture of the Islamic community has been explored. Patterns from all the Islamic communities in the world were overlaid and allowed to mingle which resulted in new patterns. This is a reflection of how cultures can intermingle.

With that dance as a form of communication, the moderator asked **MR AGUNG GUNAWAN, TRADITIONAL DANCER, INDONESIA,** how he is able to communicate to others through dance, and what kind of message is he trying to send out. Agung began by placing the answer in the context of Javanese culture. He noted that culture for the Javanese community has been so intermingled with art that it has become a part of the Javanese way of life.

He noted that culture is not a result of art; but it is because of the abundance of different art forms that it forms the culture of the Javanese people. There are two types of culture as far as the Javanese are concerned: High culture from the royalty, and low culture from normal society. Sometimes they have an influence on each other but sometimes they are antagonistic; not because there is negative and positive influence, but because that is how life and culture manifests itself.

*When it comes to dance, the message is not about the choreography. The dance comes from the heart and then manifests itself in his movement to reflect his soul.*

Responding to a question from the floor, Madny gave an analogy about how the Silk Road influenced art and culture in Central







Bashir Ismail, Humourist, Zimbabwe

Asia. He explained that at the time, everybody wanted to reach China and their main motivation was to find silk. Furthermore, many of them were Muslims who were following on the Prophet's words when he said, "Seek knowledge even in China". Considering that this was 600 AD, it had a great impact on the culture of the time. Thus began an exodus of people looking for China and the knowledge (and the silk) that they would find there. This directly aided the spread of Islam to all the areas that they travelled. The route they took then came to be known as the Silk Way or the Silk Road.

The greatest impact however, was around 1100 to 1200 AD when Genghis Khan invaded Central Asia. His Mongol descendants decided to follow the Silk Road to find out more about where these knowledge-seekers came from and they went as far as Baghdad and Palestine. However, they did not go specifically to seek knowledge but to raid. It was only after they settled down many years later, that they became the forefront

of the Islamic culture. They introduced Chinese calligraphy, which influenced Arabic calligraphy. Thus, Islamic culture was influenced and benefited from the invasion of the Mongols, which only goes to show that globalisation is not a new concept. It is something that can be embodied by the Silk Road itself.

A question was raised by the delegates as to whether it is acceptable for Western culture to be opposed to Islamic culture. Eugene Johnson answered this question directly and indirectly stating first that it is a misnomer when people speak about 'Islamic culture' and 'Western culture' as opposing forces. This is because no culture exists within a vacuum.

To understand this, one needs only to look at the history of civilisation that has been recorded. Around 6000 years ago, sailors from Oman were travelling to Mesopotamia transporting copper. The Omanis were travelling to China as far back as in 1250 AD exchanging cultural ideas and values. Americans are taught that Christopher Columbus discovered America in 1492; however if one looks back in history, a sailor called Amerigo Vespucci had already been to America. He, however, was not the first, 1000 years before him, the Chinese had already been to the Americas. However, they also were not the first. When the Omanis travelled to China, many of them intermarried with the Chinese and many of the sailors that went on Chinese boats and carried their values to America were in reality not ethnically Chinese, they were Omani. The reason they were unrecorded in history is because when they intermarried, they took Chinese names. Thus, we should not speak of culture as if it is a purely isolated entity.

Cultures intermingle and take from one another and because of the universality of mankind; culture is something that is behavioural and learned. Furthermore, because of globalisation, it is almost impossible today for cultures not to intermingle, so it becomes a dangerous scenario to separate Islamic culture and Western culture. **There are more aspects of culture that are universal than aspects that are different. This is the same with religion, if you look at the tenets of most of the major religions in the world, they are fundamentally similar; it is the specificity that people dwell on rather than the commonality of the religion that causes friction.**



# 3rd Marketplace of Creative Arts Dialogue session 3

The Business of Art:  
Strengthening an Industry, Securing a Future



(From L To R) Mr Nurlan Turekhananov, Mr Alexey Velizhanin, Altimet, Mo Amer, Mr Asad Jafri.

The moderator **MR ASAD JAFRI "MAN-O-WAX"**, **DIRECTOR OF ARTS PROGRAM, INNER-CITY MUSLIM ACTION NETWORK, UNITED STATES**, began by asking the question of how to best bridge the divide between the common misperceptions of the arts and society. Furthermore, the question was also posed to the panellists asking how to make the arts successful in an industry of its own while remaining true to the art form.

Originally Palestinian and living in Houston, **MR MOHAMED "MO" AMER, COMEDIAN, UNITED STATES**, said that the biggest challenge initially is to overcome the misconception

that being an artist is not profitable. Unlike other professions (lawyers, doctors etc.), artists are perceived as not making enough money to earn a living. Thus, the initial hurdle is to actually get support from family members after making a firm decision to venture into the arts as a profession. **To change this perception, he said, the artist needs to be persistent. People cannot see the vision that you have in mind; and it is only through persistent hard work and a deep understanding that you are a part of something great.**



(From L To R) Mr Mohamed 'Mo' Amer, Comedian, USA; and Mr Asad Jafri 'Man-O-Wax', Director of Arts Program, Inner-city Muslim Action Network (IMAN), USA.

Having said that, in today's age the internet helps get the message across to fans and provides them with new material as a way to bridge the divide.

In response to the same question, **MALAYSIAN HIP-HOP ARTIST, ALTIMET** said that in Southeast Asia, the perception is mostly the same; other professions are perceived as being more profitable. The only point at which this changes is when the artists begin to become profitable; only then will the perception change and the chosen vocation will be viewed positively.

**MR ALEXEY VELIZHANIN, DANCER, KAZAKHSTAN**, said that the main problem facing dance in Kazakhstan is the misperception of how much investment has to go into it. Choreography requires major investments both financially and psychologically. It takes a lot of funding to establish a dancing troupe and initially it usually needs to be personally funded before looking for an investor.

**MR NURLAN TUREKHANOV, DIRECTOR, MECHANICAL PIANO, KAZAKHSTAN**, pointed out the challenge in the philosophy of both how the public views art as

well as how accessible it is to the public. Art today, he observed, is being highly criticised by the public and to compound matters further, Kazakhstan is in a relatively remote location. People do not venture out of their way to view Kazakhstan as a centre for art. They focus more on economics and unfortunately, the economy does not care about the arts.

Islamic countries are also especially critical about art such as music. **It is simply not customary to invest in art, and investors tend to turn to other ways of making money. They must understand that it is important to develop their own artists** and not simply look for artists from Europe and other countries. The development of art in Kazakhstan and other developing countries will not be a reality if the government does not pay attention to it.

A question was raised from the floor asking what skills or qualities are important to an artist to ensure that they are not poor.

Responding to the question, Mo Amer addressed the myth that artists have to be broke. He said that nowadays, artists do

### 3<sup>rd</sup> Marketplace of Creative Arts: Dialogue Session 3

not have to be broke because there are countless avenues to receive funding. Persistence is the key factor that needs to be highlighted – simply put; **you won't make it if you stop, you have to stay persistent and believe in what you do and the money will find you. The artist must believe in the art form, and that there is more behind it than just money.**

He also reiterated the point raised by Nurlan, that Muslim countries do not really care about homegrown arts development and this needs to change. Artists are also responsible for seeing this happen in whatever country or city they are in; they need to use whatever means at their disposal to promote their art. For instance, he gave the example of comedians who literally make up their own room, advertise themselves and get people to come to their shows.

Nurlan stressed that people need to believe in their own strengths and abilities. This, he argued, is a problem of culture, if the culture changes then the mindset would change. This was further supported by Alexey who observed that although contemporary choreography has a good base in Kazakhstan; there are no international events or festivals happening in this industry in Kazakhstan that could help local artists showcase their abilities.

Asad Jafri then posed the question: bearing in mind all the different challenges that they faced as artists, what other support systems (besides their own determination) have they been able to garner in their fields. How else have they managed to help the industry?

Nurlan posited that the question is not about helping the industry; it is more about understanding the industry. He pointed out that, in his opinion, men seek inspiration in women. Thus, where the women are beautiful, art is more developed.

Alexey echoed these sentiments adding that artists are also looking for the answer in their job itself be it dancing, painting or any other art form. In this case, a major support system is in the appreciation of the art form by the audience. This can only be achieved if the artist manages to connect with the audience.

**Support systems, according to Altimet, are like bank loans. You have to prove that you**

**don't need a loan in order to get a loan. The artist has to build a foundation and develop the audience support to a point where the potential support system cannot afford to ignore them anymore.** As an example he pointed out Upin & Ipin, a development of Les' Copaque Production in Malaysia; a cartoon startup which, upon its early stages, did not receive much support. Now, however, it is syndicated and is a regional hit. Many support systems involve money; therefore there is always a focus on return investment. Artists need to ensure that they are solid investments.

Mo Amer stated again that persistence will greatly benefit the artist. Being a global society, it is no longer about just local audiences. If it comes to getting funding, the businessmen will find you. Asad noted that **if the artist builds community support, the community will support him or her. This is a gateway for investors to become more interested; they want to be associated with someone established in the community.** Asad's own organisation uses these very means as a concept of "building with community".

The moderator, Asad Jafri, then posed the question: is the advent of new media making the industry more difficult because artists are now competing with so many new people or does it make it easier to reach the audience?

All members of the panel agreed that it was easier with the new media. Mo Amer added that there are, of course, multitudes of people who consider themselves artists and some of them actually do have genuine artistic drive and they have worked at it. New media, the internet specifically, has made it easier to showcase the real talents. In such situations, the amount of work that an artist has put into his craft and the experience they have will show through –regardless of how many other artists are in the same field.

New media, Altimet remarked, is a double-edged sword in that it makes things both easier and harder. It is easy to get your message or your art out to the world; however since there are so many other people with the same goals, the artist will find it more difficult to actually reach the right audience simply due



Mr Nurlan Turekhananov, Director, Mechanical Piano, Kazakhstan

to the sheer volume of people using the same channel as he is. Furthermore, as far as content goes, all artists have to decide what content they want to give away for free. In the age of the internet, the challenge is not only to manage the content available, but also to select which avenues to use. Alexey added that on a positive note, new media makes it easier to see what happens around the world and thus encourages artists to broaden their horizons. However, as pointed out by Altimet, the artist's rights are not always respected.

A question was raised concerning discovering talent in children: at what point do you differentiate between a true talent and a passing fancy?

Mo Amer affirmed that as per his belief, the child should be supported in any case. The important thing is; there must be

a balance between the child's need to express him or herself artistically and the other requirements such as schoolwork. If the child really wants to pursue the arts then this fact will get more and more profound as time goes on. **There are young people who have creative and artistic souls, and they are constantly searching to find out where they fit, it is important to let them explore their options.**

The question goes deeper than just a hobby or a passing interest. As Altimet pointed out, the question will arise in the child's mind as to whether they want to pursue it, turn it into art and further make a living from it. The short answer: if he has an interest, then why not? This is a chance that both the parents and the child would have to take. It might not work out but it might be a gateway for something else.

Nurlan concurred and stated that the parent should just do it; if the child wants to play an instrument, let them do it. It is not so much about talent; if a child wants something and is determined, he should pursue it. Alexey added that a child should be allowed to pursue whatever art forms that he likes, it doesn't matter whether he is successful or not. If he meets competition, then his practice and experience will show; however he must be allowed to take the chance to develop. Artistic souls will definitely continue searching until they find something that they love.

In closing, all the panellists agreed that in arts, as in other fields, a deep respect, love and understanding of one's art and the history of that art is of paramount importance.

Furthermore, this belief in the arts must be paired with hard work, determination and persistence. **The budding artists must understand the economic aspect of their art and realise that it plays a big role if they decide to make a living from their work.** They must understand that both the business side and the artistic side must be employed if they aim to profit from their craft.

The good news is that art and creative expression is here to stay; however it is prudent to think of creative ways to make a career in art an acceptable option for people so that society can continue to innovate through the arts.



# 3<sup>RD</sup> MARKETPLACE OF CREATIVE ARTS

## Marketplace Artists



Endah and Rhesa  
Acoustic Duo, Indonesia



Shyngys  
Hip-Hop Artist, Kazakhstan



Altimet  
Hip-Hop Artist, Malaysia



Elmira Gilman  
Filmmaker, Kazakhstan



Aidos Toktobev  
Filmmaker, Kyrgyzstan



Esengali Sadyrbaev  
Painter, Kazakhstan



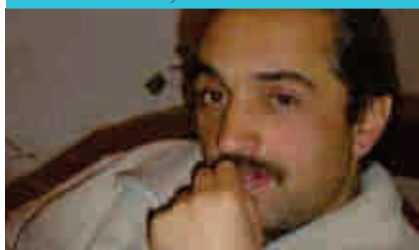
Les' Copaque (Upin Ipin)  
Filmmaker, Malaysia



Murat Alimov  
Cartoonist, Kazakhstan



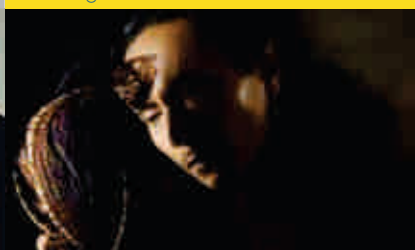
Madny Al Bakry  
Calligraphist, Oman



Tolik Gadamamadov  
Filmmaker, Tajikistan



Nurlan Turekhanov  
Designer, Kazakhstan



Agung Gunawan  
Javanese Dancer, Indonesia



Asad Jafri  
DJ, USA



Sanif Olek  
Filmmaker, Singapore



Raushan Aspandiyarova  
Painter, Kazakhstan

			
Alexey Velizhanin Founder of Alexey Velizhanin's Dance Theatre, Kazakhstan	Almaz Kabaev Filmmaker, Kazakhstan	Anar Zhunussova Filmmaker, Kazakhstan	
			
Gulnazim Omirzak Handicraft Artist, Kazakhstan	Iskandar Idris & Nassar Zain Designers, Singapore	Bashir Ismail Humourist, Zimbabwe	
			
Artem Gantsev Filmmaker, Kazakhstan	Ruslan Akunov Filmmaker, Kyrgyzstan	Mo Amer Comedian, USA	
			
Shukhrat Karimov Filmmaker, Uzbekistan	Eugene Johnson Photographer, USA	Elena Lissassina Filmmaker, Kazakhstan	
			
Gulnar Suinbayeva Painter, Kazakhstan	Nurgeldy Sadygulov Filmmaker, Kazakhstan	Ali Isa Jabbarov Filmmaker, Azerbaijan	
Kazakhstan National University of Art	Salim Al Maqrashi Oud Player, Oman	Asif Rustamov Filmmaker, Azerbaijan	At Star, B Art, B School Musicians, Kazakhstan

# 3<sup>RD</sup> MARKETPLACE OF CREATIVE ARTS

## Marketplace Programme

### DAY 1 | 7 JUNE 2011

The Circle	The Kiz Ui Chat Room	The Lounging Lounge	The Reel Room	The Gallery	The Dark Room
10.30am – 11.00am: Registration of participants					
11.00am – 12.00pm Performance 1: Jewels of the Past	12.00pm – 1.00pm Dialogue 1: Exploring Tengri Art			Visual Art Exhibits: Cultural Crossroads	Visual Art Exhibits: Soul Searching
	1.00pm – 2.00pm Dialogue 2: Connect Culture through Art	2.00pm – 3.00pm Break and Networking			
3.00pm – 4.00pm Performance 2: Contemporary Vibes 1			2.00pm – 6.00pm Short-Film Screening		
5.00pm – 6.00pm Performance 3: Contemporary Vibes 2	4.00pm – 5.00pm Dialogue 3: The Business of Art				

### DAY 2 | 8 JUNE 2011

The Circle	The Kiz Ui Chat Room	The Lounging Lounge	The Reel Room	The Gallery	The Dark Room
		1.00pm – 2.00pm Break and Networking		Visual Art Exhibits: Cultural Crossroads	Visual Art Exhibits: Soul Searching
2.00pm – 3.00pm Performance 4: Best of Central Asia			2.00pm – 4.00pm Short-Film Screening		
3.00pm – 4.00pm Special Workshop: Islam & Philosophy of Art			4.00pm – 5.00pm Filmmakers Show Reel 1		
6.00pm – 7.00pm Performance 5: Fusion Magic			5.00pm – 6.00pm Filmmakers Show Reel 2		

List of Film Screenings at the 3<sup>rd</sup> Marketplace of Creative Arts:

## 1. Film Title: Ata

Duration: 39 mins

Director: Anar Zhunussova

Country: Kazakhstan

## 2. Film Title: Ak Mol Bolsyn

Duration: 27 mins

Director: Nurgeldy Sadygulov

Country: Kazakhstan

## 3. Film Title: Mizam

Duration: 37 mins

Director: Elena Lissassina

Country: Kazakhstan

## 4. Film Title: Deal

Duration: 24 mins

Director: Artem Gantsev

Country: Kazakhstan

## 5. Film Title: With the Back to Qiblah

Duration: 12 mins

Director: Azif Rustamov

Country: Azerbaijan

## 6. Film Title: Once Upon a Time

Duration: 20 mins

Director: Almaz Kabaev

Country: Kyrgyzstan

## 7. Film Title: Svetofoir

Duration: 10 mins

Director: Shukhrat Karimov

Country: Uzbekistan

## 8. Film Title: Thank You

Duration: 20 mins

Director: Ruslan Akunov

Country: Kyrgyzstan

## 9. Film Title: Knot

Duration: 22 mins

Director: Ali Isa Jabbarov

Country: Azerbaijan

## 10. Film Title: Tower

Duration: 10 mins

Director: Aidos Toktobaev

Country: Kyrgyzstan

## 11. Film Title: A'la Folie

Duration: 11 mins

Director: Sanif Olek

Country: Singapore

## 12. Film Title: Ameen

Duration: 14 mins

Director: Sanif Olek

Country: Singapore

## 13. Film Title: Imago

Duration: 16 mins

Director: Elya Gilman

Country: Kazakhstan

## 14. Film Title: Ikar

Duration: 8 mins

Director: Elya Gilman

Country: Kazakhstan

## 15. Film Title: The Roof of the World

Duration: 25 mins

Director: Tolik Gadamamadov

Country: Tajikistan

## 16. Film Title: Upin &amp; Ipin Series – "Greed"

Duration: 5 mins

Director: Les' Copaque Productions

Country: Malaysia

## 17. Film Title: Upin &amp; Ipin Series – "Flying High"

Duration: 19 mins

Director: Les' Copaque Productions

Country: Malaysia





# FROM WASTE TO WEALTH

Recycling becomes a way a life. Empty fruit bunches are recycled into compost together with palm oil mill effluent. The environment benefits from the reduction in the use of chemical fertiliser; we benefit from reduced fertiliser cost.

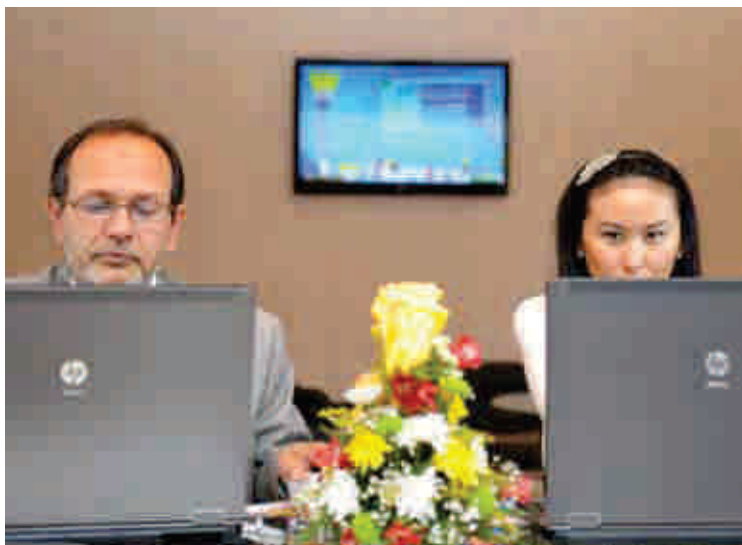
7th WIEF Exhibition



## 7<sup>TH</sup> WIEF EXHIBITION

7 – 9 JUNE 2011 | Palace of Independence, Level 2

The 7<sup>th</sup> WIEF Exhibition was held on 7-9 June 2011, in conjunction with the 7<sup>th</sup> World Islamic Economic Forum, bringing in trade exhibitors consisting of trading companies and national trade promotion agencies, and various showcase booths and pavilions of sponsors and partners of the Forum.







## 7<sup>TH</sup> WIEF EXHIBITION

7 – 9 JUNE 2011 | Palace of Independence, Level 2



THE 7<sup>TH</sup> WIEF EXHIBITORS

BOOTH NO	COMPANY NAME	WEBSITE
1 – 2	KCELL (Kazakhstan)	<a href="http://www.kcell.kz">www.kcell.kz</a>
3 – 4	Malaysia International Halal Showcase (MIHAS)	<a href="http://www.mihass.com.my">www.mihass.com.my</a>
5 – 6	KPJ Healthcare Bhd	<a href="http://www.kpjhealth.com.my">www.kpjhealth.com.my</a>
7	Urbanisma	<a href="http://www.urbanisma.com">www.urbanisma.com</a>
8	Bloomberg UK	<a href="http://www.bloomberg.com">www.bloomberg.com</a>
9	Binary University College	<a href="http://www.binary.edu.my">www.binary.edu.my</a>
10	Islamic Centre for Development of Trade	<a href="http://www.icdt.oic.org">www.icdt.oic.org</a>
11	Russian Muftis Council	<a href="http://www.muslimeco.ru">www.muslimeco.ru</a>
12	Nusantara Gems Sdn Bhd	
13 – 20	The Coca-Cola Company	<a href="http://www.thecoca-colacompany.com">www.thecoca-colacompany.com</a>
21 – 26	Sime Darby Bhd	<a href="http://www.simedarby.com">www.simedarby.com</a>
27 – 28	Amanah Raya Bhd	<a href="http://www.arb.com.my">www.arb.com.my</a>
32 – 34	United Engineers Malaysia (UEM) Bhd	<a href="http://www.uem.com.my">www.uem.com.my</a>
35 – 38	Islamic Development Bank	<a href="http://www.isdb.org">www.isdb.org</a>
39 – 40	Iskandar Investment Bhd	<a href="http://www.iskandarinvestment.com">www.iskandarinvestment.com</a>
41 – 42	Samruk – Kazyna	<a href="http://www.samruk-kazyna.kz">www.samruk-kazyna.kz</a>
45 – 46	PricewaterhouseCoopers	<a href="http://www.pwc.com">www.pwc.com</a>
47	AsiaEP Bhd	<a href="http://www.asiaep.com">www.asiaep.com</a>
48	INCEIF	<a href="http://www.inceif.org">www.inceif.org</a>
49 – 50	Malaysian Genomics Resource Centre Berhad (MGRC)	<a href="http://www.mgrc.com.my">www.mgrc.com.my</a>
51 – 60	Malaysian External Trade Development Corporation (MATRADE)	<a href="http://www.matrade.gov.my">www.matrade.gov.my</a>



# Programmes



# PROGRAMMES

Pre-Forum | 7th June 2011

WIEF BUSINESSWOMEN FORUM & WIEF YOUNG LEADERS FORUM

	WIEF BUSINESSWOMEN FORUM	WIEF YOUNG LEADERS FORUM
8.00am – 9.00am	<b>REGISTRATION</b> Arrival of Delegates, Guests and VIPs Venue: Registration Tent, Level 1, Palace of Independence, Astana, Kazakhstan	
9.00am – 9.45am	<b>JOINT OPENING CEREMONY</b> Qur'an Recital Welcoming Speech by: H.E. Aset Issekeshev, Deputy Prime Minister of Kazakhstan & Chairman of the National Organising Committee for the 7 <sup>th</sup> WIEF Speech by: The Hon. Tun Musa Hitam, Chairman, WIEF Foundation Keynote Address and Opening of Pre Forums by: H.E. Karim Massimov, Prime Minister of Kazakhstan Venue: Great Hall, Palace of Independence, Astana, Kazakhstan	
9.45am – 10.00am	<b>REFRESHMENTS</b>	
10.00am – 10.15am	<b>WELCOMING SPEECHES BY:</b> • Dato Dr Norraesah Mohamed, Chairman, WIEF Businesswomen Network (WBN) & Executive Chairman, MyEG Services Berhad, Malaysia • Raushan Sarsembayeva, President, Association of Businesswomen of Kazakhstan	<b>WELCOMING SPEECHES BY:</b> • Dato' Sri Nazir Razak, Chairman, WIEF Young Leaders Network (WYN) & CEO, CIMB Group, Malaysia • Nurlan Uteshev, Executive Secretary, Association of Young Leaders 'Zhas Otan', Kazakhstan
10.15am – 11.15am	<b>PLENARY 1: CEO EXCHANGE</b> <b>Growing Women Leadership: Lead, Influence and Change</b> <b>Speakers:</b> • H.E. Gulshara Abdykalykova, Minister of Labour and Social Protection & Chairman, National Commission for Women Affairs, Family and Demographic Policy, Kazakhstan • The Hon. Senator Shahrizat Abdul Jalil, Minister of Women, Family and Community Development, Malaysia • Salukazi Dakile-Hlongwane, Executive-Deputy Chairperson, Nozala Investments (Proprietary) Limited, South Africa • Dr Martha Tilaar, Founder and Chair, Martha Tilaar Group of Companies, Indonesia <b>Moderator:</b> • Dato Dr Norraesah Mohamed, Chairman, WIEF Businesswomen Network (WBN) & Executive Chairman, MyEG Services Berhad, Malaysia	<b>PLENARY 1</b> <b>Leadership in Motion: Anecdotes of Success</b> <b>Speakers:</b> • Sandiaga Uno, Managing Director, Saratoga Capital, Indonesia • Khairy Jamaluddin Abu Bakar, Chairman, UMNO's Youth Wing, Malaysia • Zhanna Tulegenova, Executive Director, Bolashak Association, Kazakhstan • Dato' Sri Nazir Razak, Chairman, WIEF Young Leaders Network (WYN) & CEO, CIMB Group, Malaysia <b>Moderator:</b> • Ian Buchanan, Senior Executive Advisor, Booz & Company, Australia



## Programmes :Pre-Forum

	WIEF BUSINESSWOMEN FORUM	WIEF YOUNG LEADERS FORUM
11.15pm – 12.15pm	<p><b>PLENARY 2:</b> The Social Entrepreneur: Revolutionising Societal Change</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Datin Paduka Siti Sa'diah Sheikh Bakir, Managing Director, KPJ Healthcare Berhad, Malaysia</li> <li>• Zoran Puljic, Director, Mozaik Foundation, Bosnia and Herzegovina</li> <li>• Anshu Gupta, Founder, Goonj, India</li> <li>• Alua Rudar, Editor-in-Chief of "Businesswomen.kz" Magazine, Kazakhstan</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Asel Karaulova, Director, Kazakhstan Press Club</li> </ul>	<p><b>PLENARY 2:</b> Humanising Prosperity: Making Social Entrepreneurship Work</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Hideyuki Inoue, Managing Director, Social Venture Center, ETIC, Japan</li> <li>• Martin Burt, Founder &amp; CEO, Fundación Paraguaya</li> <li>• Zhuldyz Omarbekova, Chairman of the Organising Committee, Altyn Zhurek National Award, Kazakhstan</li> <li>• Mr Ebrahim Patel, CEO of Magellan Investment, South Africa</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Zarina Nalla, Policy and Project Development Consultant, International Institute of Advanced Islamic Studies (IAIS), Malaysia</li> </ul>
12.15pm – 1.15pm	<p><b>PLENARY 3:</b> Marketing – An Essential of Business</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Dato' Tom Abang Saufi, Director &amp; Chief Designer, Ethnicite Sdn Bhd, Malaysia</li> <li>• Owek, Hajat Rehman Kasule, Managing Director, Century Marketing, Uganda</li> <li>• Aida Dossayeva, Director of Corporate Communications, GSM Kazakhstan / Kcell, Kazakhstan</li> <li>• Dr Amany Asfour, President, Egyptian Businesswomen Association</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Rokia Afzal Rahman, Chair, Midas Financing Ltd. &amp; President of Bangladesh Federation of Women Entrepreneurs (BFWE)</li> </ul>	<p><b>PLENARY 3:</b> Creating Change Through Arts: Images, Fables and Poetry</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Sanif Olek, Filmmaker, Singapore</li> <li>• Susan Schulman, Award-Winning Photo and Video Journalist, UK</li> <li>• Elya Gilman, Movie Director, Gilman Film Production, Kazakhstan</li> <li>• Asad Jafri, Director of Arts Program, Inner-city Muslim Action Network (IMAN), United States</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Wan Zaleha Radzi, former TV personality and Principal, AsiaPromote Ventures, Malaysia</li> </ul>
1.15pm – 2.15pm	<p><b>LUNCH</b></p> <p>Venue: Palace of Independence, Astana, Kazakhstan</p>	

## WIEF Businesswomen Forum & WIEF Young Leaders Forum

	WIEF BUSINESSWOMEN FORUM	WIEF YOUNG LEADERS FORUM
2.15pm – 3.15pm	<p><b>PLENARY 4:</b> Financing Alternatives for Women Entrepreneurs: Is Venture Capital A Solution?</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Umit Shayakhmetova, Chairperson of the Management Board, Halyk Bank, Kazakhstan</li> <li>• Darawati Hussain, Head/Director of CIMB Private Equity &amp; Venture Capital (CPE), Malaysia</li> <li>• Meltem Metin, Director, Strategic Business Development, Coca-cola Icecek A.S., Turkey</li> <li>• Dr Zarina Arslanova, Chairwoman, Board of Directors, National Innovation Fund, Kazakhstan</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Tan Sri (Dr) Rafiah Salim, Director, NAM Institute For The Empowerment Of Women, Malaysia</li> </ul>	<p><b>PLENARY 4:</b> Nurturing Global Champions: Building the Right Ecosystem</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Isabel Romero Arias, Director General, Halal Institute, Spain</li> <li>• Abas A. Jalil, Chief Operating Officer, International Business, Amanah Raya Capital Group Sdn Bhd, Malaysia</li> <li>• Tatyana Zhdanova, Vice President for External Economic Relations, Chamber of Commerce and Industry, Kazakhstan</li> <li>• Kamal Mouzawak, Founder, Souk el Tayeb, Lebanon</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Khalid Sharif, Editor and Managing Director of the Muslim Paper &amp; Managing Director of Ummah Foods, United Kingdom</li> </ul>
3.15pm – 4.15pm	<p><b>PLENARY 5:</b> Industries in Focus: Healthcare/Tourism/ Education/Food</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• Ratkan Israilova, Chair of the Board, "KairatBol" Company, Kyrgyzstan (Food)</li> <li>• Roza Asanbayeva, President, Kazakhstan Tourism Association (Tourism)</li> <li>• Tan Sri (Dr) Rafiah Salim, Director, NAM Institute For The Empowerment Of Women, Malaysia (Education)</li> <li>• Dr Zainuddin Md. Wazir, President, Alliance University College of Medical Sciences, Malaysia (Healthcare)</li> <li>•</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• Adema Zhanassova, Country Manager, Mubadala Oil &amp; Gas, Kazakhstan</li> </ul>	
4.15pm	END OF PROGRAMME / REFRESHMENTS	

# PROGRAMMES

## MAIN FORUM DAY 1

Globalising Growth: Connect, Compete, Collaborate

8<sup>th</sup> JUNE 2011 | Palace of Independence, Astana

8.00am – 9.00am

### REGISTRATION

Arrival of Delegates, Guests and VIPs

Venue: Registration Tent, Level 1, Palace of Independence, Astana, Kazakhstan

10.00am – 11.30am

### OFFICIAL OPENING CEREMONY

Venue: Great Hall, Palace of Independence, Astana, Kazakhstan

Quran Recital

Speech by

The Hon. Tun Musa Hitam, Chairman, WIEF Foundation

Keynote Address and Official Opening of the 7<sup>th</sup> WIEF by

H.E. Nursultan Nazarbayev, President of Kazakhstan

Special Addresses by:

- H.E. Dato' Sri Najib Tun Abdul Razak, Prime Minister of Malaysia & Patron of WIEF Foundation
- H.E. Ismail Omar Guelleh, President of Djibouti
- H.E. Oqil Oqilov, Prime Minister of Tajikistan
- H.E. Prof. Dr Boediono, Vice President of Indonesia
- H.E. Dr. Ahmed Mohamed Ali Al Madani, President, Islamic Development Bank (IDB)

11.30am – 12.00pm

### SIGNING OF AGREEMENTS

12.00pm – 1.30pm

### LEADERS LUNCHEON (BY INVITATION ONLY)

Hosted by the Prime Minister of Kazakhstan, H.E. Karim Massimov

Venue: Palace of Independence, Astana, Kazakhstan

### DELEGATES LUNCH

Venue: Palace of Independence, Astana, Kazakhstan

1.30pm – 3.30pm

### PLENARY ONE: LEADERSHIP DIALOGUE

Entrepreneurship as a Vehicle of Growth: A Roadmap to Success

Venue: Great Hall, Palace of Independence, Astana, Kazakhstan

Panelists:

- H.E. Omurbek Babanov, First Vice Prime Minister of Kyrgyzstan
- H.E. Dr Ros Nuri Shawels, Deputy Prime Minister of Iraq
- H.E. Tun Abdullah Ahmad Badawi, former Prime Minister of Malaysia
- H.E. Fuad Siniora, former Prime Minister of Lebanon
- H.E. Wim Kok, former Prime Minister of Netherlands
- H.E. Dr Mohammed Abu Hammour, Minister of Finance, Jordan
- H.E. Maria Edileuza Fontenelle Reis, Vice Minister of External Relations of Brazil and Special Envoy of the President of Brazil
- H.E. Shaukat Aziz, former Prime Minister of Pakistan

**Moderator:**

- The Hon. Tun Musa Hitam, Chairman, WIEF Foundation

---

3.30pm – 5.30pm

**PLENARY TWO**

Islamic Banking and Finance in Emerging Markets:

Seizing Opportunities, Overcoming Challenges

Venue: [Great Hall, Palace of Independence, Astana, Kazakhstan](#)

**Keynote Speaker:**

- HRH Raja Dr Nazrin Shah ibni Sultan Azlan Muhibbuddin Shah, Financial Ambassador, Malaysia International Islamic Financial Center (MIFC) & Crown Prince, State of Perak, Malaysia

**Speakers:**

- H.E. Uchkunbek Tashbaev, Minister of Economic Regulation, Kyrgyzstan
- Amer Bukvic, Chief Executive Officer, Bosna Bank International, Bosnia and Herzegovina
- Yerlan Baidalet, Chairman, Kazakh Association for Development of Islamic Finance & Chief Economic Adviser, Ministry of Industry and New Technologies, Kazakhstan
- Adalet Djabiev, Founder and CEO, Al-Shams Capital Group, Russia
- Prasad Abraham, Chief Executive Officer, Al Hilal Bank, Kazakhstan

**Moderator:**

- Datuk Mohamed Azahari Kamil, CEO, Asian Finance Bank, Malaysia

---

5.30pm

**REFRESHMENTS / INFORMAL NETWORKING**

---



# PROGRAMMES

## SPECIAL FORUM ON COUNTRIES IN FOCUS

Investment Opportunities & Challenges

Supported by Islamic Development Bank (IDB) Group

Small Hall 1, Palace of Independence, Astana, Kazakhstan

1.30 pm – 1.45 pm

### INTRODUCTORY SPEECHES BY:

- Tan Sri Ahmad Fuzi bin Abdul Razak, Secretary General, WIEF Foundation
- Khaled Mohammed Al-Aboodi, Chief Executive Officer, Islamic Corporation for the Development of the Private Sector (ICD)

1.45 pm – 2.45 pm

### SESSION 1

#### Speakers:

- H.E. Dato' Sri Mustapa bin Mohamed, Minister of International Trade & Industry, Malaysia
- H.E. Elsadig Mohammed Ali, State Minister for Investment, Republic of Sudan
- Ahmed Keizer Khan, Chief Operating Officer, Islamic Corporation for the Development of the Private Sector (ICD)
- Dr Amir Raslan Abu Bakar, Consultant, Islamic Research and Training Institute (IRTI)
- Mohammed Jameel Al-Saati, Director, Islamic Development Bank (IDB)
- Lofti Zairi, Assistant to the CEO, Islamic Finance and Technical Affairs, Islamic Corporation for Insurance of Investment and Export Credit (ICIEC)
- Mohammad Azad, General Manager, Operations Department of International Trade Finance Corporation (ITFC)

#### Q & A by Participating Investors

#### Moderator

- Tan Sri Dr Wan Mohd Zahid bin Mohd Noordin, Chairman, Universiti Teknologi MARA (UiTM), Malaysia

2.45pm – 3.45pm

### SESSION 2

#### Speakers:

- H.E. Dato' Paduka Awang Hj Ali bin Hj Apang, Deputy Minister at the Prime Minister's Office & Chairman, Brunei Economic Development Board
- Dr Maggie Kigozi, Executive Director, Uganda Investment Authority
- Asylkhan Serikov, Chairman, Committee on Investments, Ministry of Industry and New Technologies, Kazakhstan
- Esra Tulgan, Project Director, Investment Support and Promotion Agency of Turkey (ISPAT)

#### Q & A by Participating Investors

#### Moderator:

- Ebrahim Patel, Chief Executive Officer, Magellan Investment, South Africa

## Main Forum Day 1: Special Forum on Countries in Focus

3.45pm – 4.45pm

### SESSION 3

#### Speakers:

- Mrs. Gulshan Rzayeva, President Advisor, Azerbaijan Export & Investment Promotion Foundation
- Jose Neif Jury Fabre, Business Representative, ProMexico Trade & Investment Office in UAE, Mexico
- Amondjon Eshonkulov, First Deputy Chairman, State Committee on Investments and Management of State Property, Tajikistan

#### Q & A by Participating Investors

#### Moderator:

- Evelyn Mungai, Executive Chairman, Speedway Investments Ltd, Kenya

---

5.30pm

### END OF FORUM & REFRESHMENTS

---

7.00pm – 8.30pm

### GALA DINNER (BY INVITATION ONLY)

Hosted by the President of Kazakhstan, H.E. Nursultan Nazarbayev

Venue: [Sultanat Sarayi](#)

---

6.00pm – 7.30pm

### DELEGATES DINNER

Hosted by the Government of the Republic of Kazakhstan

Venue: [Palace of Independence](#)

---

# PROGRAMMES

## FORUM DAY 2

Globalising Growth: Connect, Compete, Collaborate

9<sup>th</sup> JUNE 2011 | Palace of Independence, Astana

9.00am – 10.30am

### PARALLEL SESSIONS

#### SESSION 1

Deploying Innovative Technologies for Infinite Possibilities

Venue: Great Hall, Palace of Independence, Astana, Kazakhstan

#### Speakers:

- Jehan Ara, President, Pakistan Software Houses Association for IT & ITES (P@SHA)
- Munirah Haji Abdul Hamid, Managing Director, Neuramatix Sdn Bhd & Executive Director, Malaysian Genomics Resource Centre Berhad
- Kairat Tilebaldinov, Chairman, JSC Kazakhstan PPP Center
- Deborah Leary OBE, FRSA, Founder & CEO of Forensic Pathways (FPL), United Kingdom

#### Moderator:

- Dr. Mezyad Alterkawi, Chief Executive Officer, Riyadh Technology Incubation Centre, King Saud University, Saudi Arabia

---

#### SESSION 2:

Infrastructure Development: Investing for the Future

Venue: Small Hall 1, Palace of Independence, Astana, Kazakhstan

#### Speakers:

- H.E. Kiinov Lyazzat, Vice Minister of Oil and Gas, Kazakhstan
- Rashad – Rudolf Kaldany, Vice President, Asia, Eastern Europe, Middle East and North Africa, International Finance Corporation, United States
- Mugo Kibati, Director General, Vision 2030 Delivery Secretariat, Kenya
- Mert Sari, Turkuaz Group of Companies, Turkey

#### Moderator:

- Afzaal Malik, Vice President, International Government Relations and Public Affairs, The Coca-Cola Company, United States

---

#### SESSION 3:

Innovating SMEs: Driving Future Growth

Venue: Small Hall 2, Palace of Independence, Astana, Kazakhstan

#### Speakers:

- Carlos Chen-Tsair Cheng, Deputy Director General, Small and Medium Enterprise Administration, Ministry of Economic Affairs, Chinese Taipei
- Dr Maggie Kigozi, Executive Director, Uganda Investment Authority
- Dr Ir Hj Mohd Abdul Karim Abdullah, Founder and President of Serba Dinamik Group Berhad, Malaysia
- Bekzhan Kalibekov, Deputy Chairman, JSC DAMU Entrepreneurship Development Fund, Kazakhstan
- Linar G. Yakupov, Chairman, Small and Medium Enterprise Development Agency, Republic of Tatarstan, Russia
- Sevkett Can Tulumen, Chairman of Foreign Relations Commission of MUSIAD, Turkey

**Moderator:**

- Ahmed Keizer Khan, Chief Operating Officer, Islamic Corporation for the Development of the Private Sector (ICD)

10.30am – 11.00am

**REFRESHMENTS / INFORMAL NETWORKING**

11.00am – 12.30pm

**SESSION 4:**

**Food Security: Balancing Trade and Social Needs**

**Venue:** Great Hall, Palace of Independence, Astana, Kazakhstan

**Speakers:**

- H.E. Saktash Khasenov, Vice-Minister of Agriculture, Kazakhstan
- Mohamed Ait Kadi, President, General Council of Agricultural Development, Morocco
- Dr Dyno Keatinge, Director General, World Vegetable Center (AVRDC), Taiwan
- Herbert Oberhaensli, Vice President, Head of Economic and International Relations, Assistant to the Chairman of the Nestlé Group – Economic Affairs, Nestlé S.A, Switzerland
- Dr John K. Mutunga, Chief Executive, Kenya National Federation of Agricultural Producers (KENFAP)

**Moderator:**

- Dato' Dr Mahani Zainal Abidin, Chief Executive, Institute of Strategic and International Studies (ISIS), Malaysia

**SESSION 5:**

**World of Halal: Tapping the Potential of the Global Halal Ecosystem**

**Venue:** Small Hall 1, Palace of Independence, Astana, Kazakhstan

**Speakers:**

- Darhim Dali Hashim, Chief Executive Officer, International Halal Integrity Alliance, Malaysia
- Koen De Praetere, General Manager, Volys Star, Belgium
- Marat Sarsenbaev, Chairman and Founder, Halal Certification Committee (HCC), Kazakhstan
- Zhafar Azizbaev, Director, Halal Standards Development Division, Russian Mufties Council (RMC)
- Bill Ibrahim Aosse, Senior Director & Founder, Midamar Corporation, United States

**Moderator:**

- Jeremy Green, Managing Director, Quantum Capital Partners Ltd, United Kingdom



## Main Forum Day 2

### SESSION 6:

#### Harvesting Alternative Energy: Cleaner, Greener, Safer

Venue: [Small Hall 2, Palace of Independence, Astana, Kazakhstan](#)

#### Speakers:

- Aidar Kazybayev, Chairman, Committee of Trade, Ministry of Economic Development and Trade, Kazakhstan
- Mumtaz Khan, Founder & Chief Executive Officer, Middle East and Asia Capital Partners Pte Ltd, Singapore
- Douwe Tideman, Partner, Energy, Chemicals and Utilities Division, Booz & Company
- Prof. Umar Ibrahim Vadillo, Economic Advisor, Kelantan State Administration, Malaysia

#### Moderator:

- Dr Yuri Sigov, US Bureau Chief in Washington, "Business People" Magazine, United States

---

12.30pm – 2.00pm

### LUNCH

Venue: [Palace of Independence, Astana, Kazakhstan](#)

---

2.00pm – 3.30pm

### PLENARY THREE:

#### Islamic Banking and Finance: Raising the Bar

Venue: [Great Hall, Palace of Independence, Astana, Kazakhstan](#)

#### Speakers:

- H.E. Bolat Zhamishev, Minister of Finance, Kazakhstan
- Richard Thomas, FCSI, Chief Executive Officer, Gatehouse Bank, United Kingdom
- Saad Rahman, Executive Director, Global Islamic Banking, Credit Agricole CIB
- Raja Teh Maimunah Raja Abdul Aziz, Global Head – Islamic Capital Market, Bursa Malaysia
- Nicholas Kaiser, Director and Chairman, Saturna Capital Corporation, United States
- Mohamed Faiz Azmi, Partner and Global Islamic Finance Leader, PricewaterhouseCoopers, Malaysia

#### Moderator:

- Nigel Vooght, Global Leader – Financial Services, PwC International, United Kingdom
-

3.30pm – 5.00pm	<p>PLENARY FOUR: GLOBAL CEO PANEL</p> <p>Innovative Leadership: Capitalising on Complexity</p> <p>Venue: Great Hall, Palace of Independence, Astana, Kazakhstan</p> <p>Speakers:</p> <ul style="list-style-type: none"><li>• Tanri Abeng, Former State Minister of State-owned Enterprises &amp; Chairman, Executive Center for Global Leadership, Indonesia</li><li>• Aidan Karibjanov, Deputy Chairman, Samruk-Kazyna, Kazakhstan</li><li>• Tan Sri Azman Mokhtar, Managing Director, Khazanah Nasional Berhad, Malaysia</li></ul> <p>Moderator:</p> <ul style="list-style-type: none"><li>• Alan Friedman, Chairman &amp; Founder, FBC Group Ltd., United Kingdom</li></ul>
5.00pm – 5.30pm	<p>CONCLUDING SESSION</p> <p>Venue: Great Hall, Palace of Independence, Astana, Kazakhstan</p> <p>7<sup>th</sup> WIEF Astana Statement read by</p> <ul style="list-style-type: none"><li>• Ian Buchanan, Senior Executive Advisor, Booz &amp; Company, Australia</li></ul> <p>Closing Remarks by</p> <ul style="list-style-type: none"><li>• H.E. Aset O. Issekeshev, Deputy Prime Minister of Kazakhstan &amp; Chairman, National Organising Committee of the 7<sup>th</sup> WIEF</li><li>• The Hon. Tun Musa Hitam, Chairman, WIEF Foundation</li></ul> <p>Vote of Thanks by</p> <ul style="list-style-type: none"><li>• The Hon. Tun Musa Hitam, Chairman, WIEF Foundation</li></ul>
5.30pm	<p>END OF FORUM &amp; REFRESHMENTS</p>



## Acknowledgements

## ACKNOWLEDGEMENTS

The World Islamic Economic Forum (WIEF) Foundation wishes to acknowledge the following for their support and contribution towards the 7th WIEF:

**H.E. NURSULTAN NAZARBAYEV**  
President of Kazakhstan

**H.E. KARIM MASSIMOV**  
Prime Minister of Kazakhstan

**H.E. ASET ISSEKESHEV**  
Deputy Prime Minister of Kazakhstan

**H.E. DATO' SRI NAJIB TUN ABDUL RAZAK**  
Prime Minister of Malaysia and Patron of WIEF Foundation

**H.E. ISMAIL OMAR GUELLEH**  
President of Djibouti

**H.E. OQIL OQILOV**  
Prime Minister of Tajikistan

**H.E. PROF DR BOEDIONO**  
Vice President of Indonesia

**H.E. DR AHMED MOHAMED ALI AL MADANI**  
President of the Islamic Development Bank

All Distinguished Speakers and Moderators for their invaluable time and effort in providing rich discussions and for sharing their wealth of information for the benefit of the delegates.



## PEOPLE AND COLOURS OF THE FORUM



## People and Colours of the Forum





## PEOPLE AND COLOURS OF THE FORUM



## People and Colours of the Forum





## PERMANENT SECRETARIAT IN ACTION



## Permanent Secretariat in Action





## WIEF INTERNATIONAL ADVISORY PANEL MEETING

The bi-annual WIEF International Advisory Panel Meeting was held on 6 June 2011 at the Palace of Independent, Astana, Kazakhstan. The meeting held regularly in different parts of the world, was attended by the members of the panel which consist of heads of business, international and regional organisations and members of the academic community. The meeting discussed the WIEF Foundation's progress thus far, the day-to-day development of the 7th WIEF, and the future plan for the annual Forum.



## WIEF International Advisory Panel Meeting





## 7<sup>TH</sup> WIEF SPONSORS



Strategic Partner

*The Coca-Cola Company*

Platinum Sponsor



Developing  
Sustainable Futures



Gold Sponsor



Silver Sponsor

**AMANAHRAYA**  
CAPITAL GROUP



## 7<sup>TH</sup> WIEF PARTNERS

### Partners

#### OFFICIAL AIRLINE



#### GLOBAL KNOWLEDGE



#### FORUM PARTNER



#### COMMUNICATIONS



#### SUPPORTING HOTELS




### Media Partners



## ABOUT WIEF FOUNDATION

### Patron, Founder Patron and Honorary Members




 DATO' SRI MOHD NAJIB TUN ABDUL RAZAK  
PATRON  
Prime Minister of Malaysia




 TUN ABDULLAH  
AHMAD BADAWI  
FOUNDER PATRON  
Former Prime Minister of Malaysia



 DR SUSILO BAMBANG  
YUDHOYONO  
HONORARY MEMBER  
President of Indonesia



 DR AHMED MOHAMED ALI  
HONORARY MEMBER  
President of Islamic Development Bank

## Board of Trustees and Chairpersons of WIEF Initiatives

### Chairman & Board of Trustees



**TUN MUSA HITAM**  
CHAIRMAN

Chairman, Sime Darby Berhad.  
Former Deputy Prime Minister  
of Malaysia



**TAN SRI DR WAN MOHD  
ZAHID MOHD NOORDIN**  
TRUSTEE

Chairman, Management and Science  
University (MSU) and MARA  
University of Technology (UiTM)



**DATO' DR NORRAESAH  
MOHAMAD**  
TRUSTEE

Chairman,  
MyEG Services Berhad,  
Malaysia

### Chairpersons of WIEF Initiatives



**DATO' SRI NAZIR RAZAK**  
WIEF Young Leaders Network  
(WYN)



**TAN SRI DR WAN MOHD  
ZAHID NOORDIN**  
WIEF Education Trust (WET)



**DATO' DR NORRAESAH  
MOHAMAD**  
WIEF Businesswomen Network  
(WBN)



# ABOUT WIEF FOUNDATION

## Corporate Members & Supporting Organisations

### FOUNDATION DONORS



### CORPORATE MEMBERS



\* New member: Dato A. K. M Shahidul Islam

## Supporting Organisations

- Collaboration is one of the main thrusts of the WIEF Foundation. We believe that with the support of organisations, we can make a positive difference in the economic well-being of nations and communities worldwide.



Organization of the Islamic Conference

- Organization of the Islamic Conference (OIC)



- Islamic Educational, Scientific and Cultural Organization (ISESCO)



- Islamic Chamber of Commerce and Industry (ICCI)



- Müstakil Sanayici ve İşadamları Derneği (MUSIAD)



- Islamic Development Bank (IDB)



- Muslim Council of Britain (MCB)



- Islamic Centre For Development of Trade (ICDT)

# ABOUT WIEF FOUNDATION

## WIEF International Advisory Panel



**TUN MUSA HITAM**  
CHAIRMAN  
World Islamic Economic  
Forum Foundation, Malaysia



**DATO' SRI NAZIR  
RAZAK**  
GROUP MD/CEO  
CIMB Group,  
Malaysia



**SIR IQBAL SACRANIE**  
CHAIRMAN  
MCB Charitable Foundation,  
UK



**TAN SRI DR MOHD  
NOORDIN WAN  
MOHD ZAHID**  
CHAIRMAN  
Universiti Teknologi MARA,  
Malaysia



**IAN BUCHANAN**  
SENIOR EXECUTIVE  
ADVISOR  
Booz & Company,  
Australia



**DATO' DR NORRAESAH  
MOHAMAD**  
CHAIRMAN  
MyEG Services Berhad,  
Malaysia



**OMER CIHAD VARDAN**  
CHAIRMAN  
Independent Industrialist  
and Businessmen's  
Association (MUSIAD),  
Turkey



**EBRAHIM PATEL**  
CEO  
Magellan Investment  
Management,  
South Africa



**ESSA  
AL-GHURAIR**  
VICE CHAIRMAN  
Al-Ghurair Investment, UAE



**TANRI ABENG**  
FOUNDER & CHAIRMAN  
Executive Centre for Global  
Leadership, Indonesia

## About WIEF Foundation



EVELYN MUNGAI

EXECUTIVE  
CHAIRMAN

Speedway  
Investments Ltd, Kenya



SALAHUDDIN KASEM  
KHAN

CHAIRMAN

SEACO Task Force,  
Bangladesh



ALLAL RACHDI

DIRECTOR GENERAL

Islamic Centre for  
Development and Trade,  
Morocco



SHEIKH SALEH  
ABDULLAH KAMEL

PRESIDENT

Islamic Chamber of  
Commerce and Industry (ICCI),  
Saudi Arabia



NASSER MUNJEE

CHAIRMAN

Development Credit Bank  
Ltd & Aga Khan Rural  
Support Programme, India



JOHN SANDWICK

SPECIALIST

Islamic Wealth & Asset  
Management,  
Switzerland

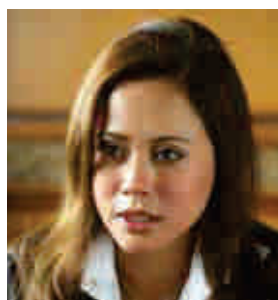
## Advisors



MUMTAZ KHAN

ADVISOR ON ECONOMIC  
AFFAIRS

Founder & Chief Executive  
Officer, Middle East and  
Asia Capital Partners Pte. Ltd.,  
Singapore



RAJA TEH MAIMUNAH  
RAJA ABDUL AZIZ

ADVISOR ON ISLAMIC  
FINANCE AND BANKING

Global Head, Islamic Capital  
Market, Bursa Malaysia



# ABOUT WIEF FOUNDATION

## Permanent Secretariat



TAN SRI AHMAD FUZI  
BIN ABDUL RAZAK

Secretary General



SYED ABU BAKAR  
ALMOHTAR

Managing Director



MAZWIN MEOR AHMAD

Executive Director and  
Head, WBN & WET



JACKIE MAH

Executive Director and  
Chief Financial Officer



FAZIL IRWAN SOM

Executive Director and  
Head, WYN



DAVID EMIR BARENG  
ABDULLAH

Director, Marketing



NORAZUWA MOHD ISA

Senior Manager,  
WBN Initiatives



SALWANI IBRAHIM

Senior Manager, Finance &  
Administration



 **SHABANA PALPANABAN**  
Manager,  
PR & Communications



 **LULU HANIM ZULKIFLI**  
Assistant Manager,  
WBN Initiatives



 **FADZILLA MOHD ALI**  
Assistant Manager,  
Marketing



 **MOHAMMED ALIOU**  
Senior Executive,  
Information Systems



 **AZRINA AHMAD**  
Senior Executive,  
Events



 **SAID HAMADI SAID  
MOHAMED**  
Senior Executive,  
WYN Initiatives



 **DAHLIA ABD RAHMAN**  
Administrative Coordinator

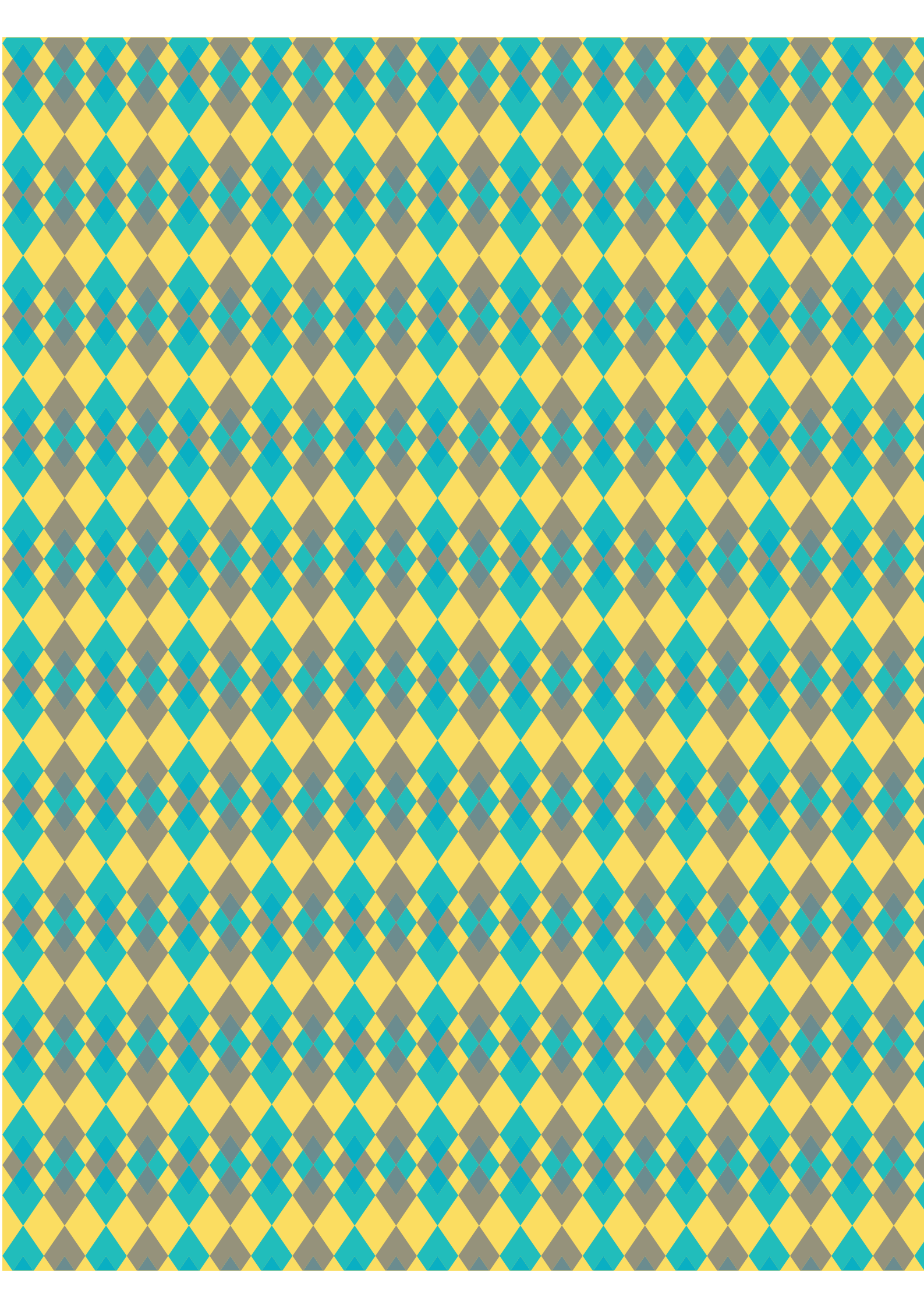


 **NAJWA YOSOF**  
Executive,  
Creative & Production













## WORLD ISLAMIC ECONOMIC FORUM FOUNDATION

Permanent Secretariat

2<sup>nd</sup> Floor, Kompleks Antarabangsa,

Jalan Sultan Ismail,

50250 Kuala Lumpur, Malaysia

T 603 2145 5500 F 603 2145 5504

Email: [info@wief.org](mailto:info@wief.org) [www.wief.org](http://www.wief.org)

