



**SPEECH TEXT
YAB DATO' SERI ANWAR BIN IBRAHIM
PRIME MINISTER**

IN CONJUNCTION

**15th INTERNATIONAL CONFERENCE ON ISLAMIC
ECONOMICS & FINANCE 2024**

20th FEBRUARY 2024 (TUESDAY) | 8.00 AM

SASANA KIJANG, KUALA LUMPUR

*Alhamdulillah, wama tawfiqi illa billah,
Waman ahsanu qawlan mimman daha ila Ilahi wa amila salihan
waqala innanee minal muslimeen
Wasallallah hu 'ala saidina Muhammad,
Wa'ala alihi wa sahbihi ajma'een.*

YB Senator Datuk Seri Amir Hamzah Azizan,
Menteri Kewangan II;

YB Senator Dr. Zulkifli Hasan,
Timbalan Menteri Hal Ehwal Agama;

YBhg. Tan Sri Samsudin Osman,
Presiden, Universiti Islam Antarabangsa Malaysia (UIAM);

YBhg. Datuk Shaik Abdul Rasheed Abdul Ghaffour,
Gabenor Bank Negara;

YBhg. Prof. Emeritus Tan Sri Dato' Dzulkifli Abdul Razak,
Rektor, Universiti Islam Antarabangsa Malaysia (UIAM);

YBhg. Professor Dato' Dr. Mohd Azmi Omar,
Presiden dan Ketua Pengarah Eksekutif
International Centre for Education in Islamic Finance (INCEIF);

YBrs. Prof. Dr. Mohamed Aslam Haneef,
 Pengarah Pengasas, Pusat Ekonomi Islam
 Universiti Islam Antarabangsa Malaysia (UIAM); dan

Semua tetamu yang saya muliakan.

1. Adalah satu penghormatan kepada saya untuk sama-sama terlibat dalam acara yang penting ini. Kerana seperti mana di baca ayat Quran *“in uridu illal-islam mastata’tu”*, maknanya langkah kita untuk terus mengupaya peningkatan perubahan ke arah kebaikan sedaya upaya kita. Jadi termasuk jugalah inisiatif kewangan Islam dan bank Islam yang telah dikemukakan sekian lama oleh tokoh-tokoh besar. Kita ingat Umer Chapra, Nejatullah Siddiqi, Monzer Khaf, Omar Zubair, Khurshid Ahmad ini teman-teman yang terlibat secara langsung dulu. Tapi semua mereka tanpa kecuali merasakan, dan sampai kepada tahap di mana ada tuntutan *islam* itu diteruskan dalam konteks yang lebih menyeluruh iaitu Maqasid.

Excellencies, ladies and gentlemen,

2. As we gather today for the 15th Edition of the International Conference, Islamic Economics and Finance to have this

opportunity to acknowledge the five decades of dedicated work by countless Islamic economic scholars, researchers and the institutions all over the world. Much has been accomplished but even more needs to be done especially when we navigate in this 'postnormal times'. I have made reference earlier to the more comprehensive discourse on the Maqasid Syariah and the pioneers notably Nejatullah Siddiqi made the stating critique against the way we manage our Islamic finance and institutions. We do recognise and I believe in Malaysia too, the Bank Islam and other related banks did pick impressive efforts in this direction. But we have to acknowledge the fact that this is not entirely the Maqasid, the aim of Islam economics. It's a critical beginning, but it needs to develop through '*islah mastata'tu*' in Islamic economics and finance. And that's why I think even trying to expand beyond just the Islamic nomenclatures means to undertake a better understanding of what reform entails.

3. I have to acknowledge and recognise that these pioneers put forward an action-oriented plan agenda that possibly was to forward looking for the times. And I personally experienced this when I was in government and the huge concern, protests and negative comments but *Alhamdulillah* things have changed. Meaning, over the last

30 years or so, Islamic economics, this was promoted as holistic development agenda has been separated from the advances in Islamic banking and finance. The rich ethical Islamic economic ideas and concepts became maroon in the hallowed halls of academia and talk fests while an overly Fichte centric that's to say narrow and legalistic, oriented approach in Islamic banking and finance prevail in commerce and industry. This has led to the imputation that Islamic economics and finance is being a patchwork.

4. Don't worry, I'm being a bit provocative this morning to compel you to discuss and deliberate on these issues further. Critics charge that it is mere rhetoric lacking in original substantive content, other than the recycling of conventional traditions, partly through no different from the pious platitudes delivered in religious sentiments. Some detractors have gone even further labelling Islam banking and finance as an exotic sub school of neoliberal finance capitalism or be it with Fiqh compliance. Objectively, we should reflect on this and I think, notwithstanding whether you concur with these assertions, the discourse must deal with this subject. Because without doubt, there is some basis and looking at the scenario, political economic scenario in the Muslim world, it has strong resonance.

5. Let me reflect briefly on my limited experience now in Malaysia, after slightly more than a year in office. The main problem with a somewhat impressive economic achievements, we do encounter problems of abject poverty, hardcore poor. I'm not talking about inequality, I'm talking about hardcore poor people who do not have enough food on the table. So, my first year, which is last year, I said, there is no rhyme or reason for us to ignore this. We talk about Islamic economics and banking to me completely irrelevant if we do not tackle this basic issue. And *Alhamdulillah* at least we have figures in the first four main states of Kuala Lumpur, Selangor, Negeri Sembilan and Melaka. We have resolved completely the issue of hardcore poverty in these four states. I'm just waiting for more reports.

6. Now, in the last year, shockingly, we talked about quality education, digital transformation, food security, and energy transition, all impressive terms. And of course, it is something that we have to address. But then in our schools, even lavatories not be taken care of. Our children and grandchildren goes to school without a proper lavatories. And I instructed last year to the Ministry of Education, "don't talk about quality education, repair the lavatories first", and we still have to spend at least RM1 billion when we repaired

8,640 lavatories. Can you imagine? I mean to me it is unacceptable. We talked terms over the more sophisticated complex issues, which has to be dealt with, but these are issues. For example, we talk about housing, basic housing facilities, our police force, the armed forces, teachers, dilapidated buildings not fit for habitation, and we require another RM 2 billion. So I'm discussing with the Governor, that's what I'm here to try and solicit some funds for this purpose.

7. Now, why do I relate these issues? Because I think these are issues that is relevant and pertinent when we discuss Islamic economics or finance issues. Otherwise, there is total disconnect in terms of introducing instruments for Islamic finance, but there's gross injustice, that disconnect between the stark realities that we have to face it. Now, therefore commendable that this 15th conference organised jointly by IIUM, Ministry of Finance, the International Association of Islamic Economics showed genuine collaboration between academia, industry and policymakers. Now, the MADANI concept introduced by my government, puts forward an economic framework based on six principles; sustainability, care and compassion, respect, innovation, prosperity and trust. Guided by these principles, we aim to promote a new method of civilizational

development, which we refer to very closely with Maqasid Syariah. On that goes beyond mere economic data and statistics that do not resonate with the ordinary people. Rather, it is a new developmental approach that benefits society now and that of the future.

8. I invite you now to imagine a future economy. One, that channels investments towards sustainable businesses, prioritising environmental protection, responsible resource management and renewable energy, the fitting our duty, as stewards or vicegerents of Allah on earth. To maintain the balance, the *wasatha'* between nature and manifestation of the faith, which is clearly amplified in the Quranic verse, "*wakadzaalika ja'alnaakum ummatan wasathan litakuunuu syuhadaa-a, 'alaa alinnaasi wayakuunaalrrasuulu 'alaykum syahiidan*" (Al-Baqarah, Verse 143). Second, an economy that places the people at its centre, not institutions or instruments, or individuals, but people that contributes to developing a caring, compassionate society, supporting comprehensive social safety nets, investing in community development, and abolishing poverty and gross inequality.
9. Third, with a future society where prosperity has meaning to the many then the few where unbridled capitalism yields to ethical inclusion, fair opportunities and equitable wealth.

Fourth, an innovative society, developing not just new products and technology, but also ideas, solutions and perspectives that challenge the status quo and inspire progress. And fundamentally, a society built on trust, where integrity, transparency and accountability serve as the cornerstone of governance, fostering a sense of unity, cohesion and collective responsibility over our shared destiny. This is our vision for sustainable, humane economic, for Malaysians, for Muslims, and for mankind.

10. Now I made specific reference to the issue of integrity and accountability, because there's clearly a deficit in our societies. Here we do focus strongly on the issue of good governance and zero tolerance to corruption, and mismanagement. We can't continue with that tradition that top professionals, top politicians, prime ministers and ministers use their position to amass wealth and squander the public purse for the interests of the families and cronies. This to me, is prerequisite for *islah* and for meaningful reform including Islamic economics. You can introduce impressive sophisticated instruments, but is poorly managed and squandered by corrupt leaders is not going to help. And I think therefore, in all our deliberations and discourse, we need to put clear emphasis on the issue of integrity, into values and accountability.

11. This is of course, a collaborative effort. Academicians must continue to push the boundaries of knowledge, align the theoretical and ethical dimensions of Islamic economics and develop practical applications aligned with these core MADANI principles. Financial institutions, of course, must integrate these principles into core structures and decision making process and ensure that their products are equitable and accessible. I must commend the Governor for his initiative, introducing new instruments that show enough care and compassion, which is difficult to impress the bankers to think likewise. But I've seen this and I was yesterday at the Maybank, our largest bank in the region. And I have to acknowledge their efforts and deductions on many new instruments that show more care and compassion for the people, other than improving the issue of governance and the issues of integrity and accountability.

12. Regulatory bodies must create enabling frameworks for innovation and incentivize and reinforce ethical conduct, not mere legalistic compliance. This collaboration must be met with an automatic commitment with joint efforts to help realise this vision for a better future. Even then, achieving this will not be without obstacles. The path depends on the global financial system, along with Western centric model

of development must be critically examined by thinkers. Unbridled capitalism, limitless greed and the exploitation of this world's resources must give way to the principles of moderation, equity and sustainability for the betterment of both current and future generations. With this *insya-Allah* we can realise a society rooted in justice and compassion. And May Allah guide us and give us the strength, the wisdom to pursue this agenda.

13. Terima kasih daripada gabenor dan bank negara kerana memberikan ruang kesempatan ini dan saya doakan mudah-mudahan persidangan ini akan memberikan landasan yang kukuh kerana kerajaan Malaysia telah jelaskan dalam kerangka ekonomi MADANI bahawa isu ekonomi Islam dan industri halal menjadi di antara keutamaan dan pandangan-pandangan saudara dalam sidang ini akan membantu dalam kerangka persidangan antarabangsa yang akan kita adakan insya-Allah sekitar Mei yang akan dipengerusikan oleh Saudara Amir Hamzah, Menteri Kewangan II.

Terima kasih.

Assalammualaikum Warahmatullahi Wabarakatuh.