

New Horizons

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posted on June 23rd, 2014



As we move into that time of year for both spiritual reflection and strategising business plans for the coming years, I have been giving the strategic direction of both Islamic Finance and INCEIF some considerable thought in recent weeks.

Let me share with you some of the things that keep buzzing around in my head. First and foremost the issue that even at \$1.8 trillion or \$2 trillion, as targeted for year end, the size of global Islamic Finance Assets, is still less than 1% of Global financial assets. That means that we still have a long way to go and that just maintaining incremental growth will determine that we remain somewhere just south of the 1% barrier permanently. That, in turn, means that we need to be doing something that helps us break out of the loop!

In prior BLOG's I have commented on the need for our industry to target those 99% who control the remaining assets and to persuade them of the value proposition of Islamic Finance. Just last week I spoke to the BOD of a public listed company, not engaged directly as a Financial Institution but as a part of the service industry, and opened their eyes to the possibilities that IF could bring them in terms of liquidity management, investment, capital raising and international market entry strategies. As an industry we need to be doing a great deal more in this area. We may feel uncomfortable in explain the Value Proposition to non-financial market players , going back to basics and speaking to the listening of the audience, but it has to be done. My experience to date is that very few outside the "inner circle" have a clear understanding of what Islamic Finance is really all about. There are still far too many assumptions and unknowns!

This leads me on to a second and important prong of the attack on the remaining 99%. This is not solely about Islamic Finance, Financial Institutions, Financial products etc. The Financial Services Sector, be it conventional or Islamic, should be no more than a financial intermediary, servicing other

industries and most especially International Trade. That means that the value proposition of our way of doing business has to be delivered to the businessmen and entrepreneurs themselves. We need far more conversations with the likes of Warren Buffett, Bill Gates, Richard Branson and Tony Fernades to both understand their needs and to tap into the reasons why they are either happy or unhappy to use Islamic Finance as part of their business strategy.

Islamic Finance in itself cannot drive the industry up to the next level; it is the businessmen, using Islamic Finance as an Intermediary, who will. Therefore we have to get the message across to them, loud and clear, in order to ensure that we can make it to the next level, rather than being permanently stuck at less than 1% of global assets.

Some new planning horizons are required urgently. Then they must be executed effectively.

There remains much to do and not a moment to lose!

Warmest regards and wassalam

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