



Statement
by
D-8 Secretary General
His Excellency Dato' Ku Jaafar Ku Shaari
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“Assalamu alaikum wa rahmatullahi wa barakatuh”

It is a distinctive privilege and singular honour for me to be given the opportunity to address one of the most important conferences of MIHAS 2018, namely the ‘Trade Talk’ by MATRADE. Let me first and foremost express my immense gratitude and deep appreciation to the Ministry of International Trade and Industry of Malaysia (MITI) and through them to the Malaysian Government for hosting such an excellent event successfully for the 15th time and to Malaysia External Trade Development Corporation (MATRADE) for the excellent organization. I should also seize this opportunity to express my sincere gratitude and appreciation to MIHAS team for the elaborate arrangements and very warm and generous hospitality extended to us since our arrival in Kuala Lumpur. Last but not least, I would like to thank all participants for their presence and valuable contributions to this highly important discussion. I hope this meeting will mark the beginning of a fruitful partnership between D-8 and all Halal companies participating the showcase.

Ladies and Gentlemen,

Developing Eight (D-8) was established in 1997 by the Heads of State/Government of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. As an inter-governmental organization, it aimed at promoting peace instead of conflict, dialogue instead of confrontation, co-operation instead of exploitation, justice instead of double-standards, equality instead of discrimination and democracy instead of oppression. Realizing that socioeconomic development is the key to achieving these lofty goals, D-8 did not only succeed in acting as a democratic, just and peaceful platform for the Member States but also an institutional structure for the pursuit of economic and social development. The past 20 years have witnessed modest achievements in this regard. From USD 1.2 trillion in 1997, the total GDP of D-8 countries has more than tripled and reached USD 3.7 trillion in 2016. Intra-trade, rose from a modest USD 14 billion in 1997 and reached USD 100 billion. Our total trade has reached USD 1.5 trillion. In nominal terms, the eight countries make up 55 per cent of the total GDP and 45 per cent of the total trade of Islamic countries. The D-8 also accounts for almost 90 per cent of the non-oil and non-natural gas exports of OIC Member States.

These macro indicators summarize the great economic potential of D-8 and its future as an ‘Economic Powerhouse’. However, I would like to draw your attention to one particular indicator which makes D-8 unique compared to any other international organization; demography. With a population of 1.1 billion people, D-8 is home to one in every seven people in the world. The ratio of population between 0-14 is as high as 30 per cent and those under age 64 constitute 95 per cent of the total population. According to the demographic estimates, by 2030, 29 per cent of the global young population (15-29) is projected to be Muslim and almost 60 per cent of this young population will be living in D-8 countries. Endowed with unmatched purchasing power and a preference for Islamic lifestyle, this pool of young Muslims will spur economic growth in Halal markets. From food to tourism, from cosmetics to pharmaceuticals, from Islamic finance to modest fashion, D-8 will have an unprecedented demand for a great variety of Halal products. As the Secretary General of D-8, it is my firm belief that producers, manufacturers and exporters of Halal products who take D-8 into consideration will reap the benefits of their decision, even in the very short run.

The significance of D-8 consumption is self-evident but there are remarkable success stories on the production side too. According to an independent research, in 2016, Malaysia scored the highest ranking in Halal food production index which accounts for exports, awareness, governance and pricing. Pakistan is also among top 10 in the same index.

According to the Islamic finance indicators, four of the eight Member States namely Malaysia, Pakistan, Iran and Indonesia have the most developed Islamic economies in the world. According to the estimates, out of USD 2.2 trillion worth of Islamic assets worldwide, Iran and Malaysia owned significant portions with USD 545 and USD 405 billion in 2016, respectively.

Three of the eight Member States namely Malaysia, Turkey and Indonesia rank among top 10 Halal tourism destinations in the world.

Turkey and Malaysia are among the top five countries with the most developed modest fashion market. With USD 2.7 billion and USD 1.3 billion respectively, Turkey and Bangladesh are the 3rd and 4th biggest Halal clothing exporters to OIC countries.

Four of the eight D-8 Member States namely Malaysia, Egypt, Pakistan and Indonesia are among top 10 producers of Halal pharmaceuticals and cosmetics.

To sum up, from food to textiles, from tourism to pharmaceuticals and to Islamic finance, D-8 Member States are not only the most significant consumers but also the biggest producers and exporters of Halal products in the world.

Ladies and Gentlemen,

Given this great potential we believe that it is our duty and responsibility to bolster our Member States in their endeavours to increase Halal production. In 2015 we held the 1st D-8 Experts Group Meeting on Halal Sector Development in Islamabad, Pakistan under the theme ‘Harmonizing Halal Standard-Let’s Do It Together’. This meeting laid tangible foundation for D-8 Halal Sector cooperation and explored the potential of Halal market in our Member States. Outside the D-8 institutional framework, we are also encouraging our Members, all of which are also OIC Members, to follow OIC/SMIIC (The Standards and Metrology Institute for the Islamic Countries) guidelines regarding Halal standards and certification.

As part of our efforts to increase visibility and generate economic benefits through project implementation, we are encouraging initiatives that aim at Halal production. One such attempt, which has recently been presented to our Secretariat, is the D-8 Card by KOMEPS FinTech which aims at developing a global payment system and network among the Member States. The project is motivated by the President of the Republic of Turkey, His Excellency Recep Tayyip Erdogan’s speech at the 9th Summit, calling D-8 Members to increase the utilization of local currency in intra D-8 trade. The D-8 Card will enable customers to dynamically convert their currencies to one another without a third-party medium of exchange like dollar and euro. Customers will then be receiving gold dinar loyalty and will be able to use these loyalties through the Al-Rahnu Islamic Gold prawning system. There will also be a D-8 Waqf Fund which will gather revenue from all transactions worldwide and will be used in all countries for investment purposes. Given that the system is built upon Islamic principles, D-8 Card is a flagship project for D-8 and a perfect example of the importance we attach to Halal. As I mentioned, it is still a fledgling project but we are confident that the outcome will be beneficial to all Member States and in shaa Allah, it will set precedent for all Muslim countries in the world.

Last but not least, I am honoured to announce that Halal tourism will be among the top agenda items in the 2nd Ministerial Meeting on Tourism to be held in Malaysia in October, 2018. In this regard, we hope to have an in-depth discussion on the potential Halal tourism products that we can develop and promote in Member States, and hopefully extend to the world.

Ladies and Gentleman,

As the D-8 Secretariat we are collaborating with respective governments and exerting maximum effort to support our Member States in every aspect, yet it has to be emphasized that in fact it is the private sector that creates investment and employment opportunities. As we know, for healthy and sustainable economic growth, the relation between government and the private sector should be of complementary nature. Therefore, our governments should work in concert with the private sector in order to create employment, provide socio-economic infrastructure, improve the business environment and create favourable investment climate. On its part, the private sector should come up with new ideas about investments and technologies that will prosper our economies.

This is relevant for Halal industries too. As the Secretariat, we commit ourselves to work together with the D-8 Governments to meet the demands of the private sector, whether it is the harmonization of rules and regulations surrounding Halal production or the easing of market access or the elimination of non-tariff barriers. But on its side, we expect private sector to come up with sound ideas that will take D-8 to a new level of development.

In this regard, I am honoured to announce that in 2017, D-8 celebrated its 20th anniversary and moved to the Second Phase of its lifecycle. Marked by the Istanbul Declaration 2017 and Istanbul Plan of Action signed at the 9th Summit, the Organization advanced from the stage of mere policy making to the phase of project implementation. In all six priority areas namely, Agriculture and Food Security, Trade, Industry, Transportation, Energy and Tourism, we expect Member States' proposals for projects that will enhance sectoral cooperation. I further have the honour to announce that financial mechanisms for the funding of sectoral projects have already been established. The Secretariat is currently working on the modalities but once established and finalized, project implementation will become the backbone of our Organization and main engine of cooperation. Halal, in this respect, is a great area of collaboration that bears significance for all

six priority areas. Therefore, I hope that in shaa Allah, in the very near future we hope to see active participation of D-8 private sector via new projects.

At this point let me humbly say that as the D-8 Secretariat, we will take pride in supporting and funding a Halal project more than any other area given the fact that Halal serves the Muslim Ummah and is directly linked with the purposes and goals of our Organization. Therefore, I urge all companies participating in this conference and MIHAS 2018 to follow D-8 closely and become a part of our community through their projects.

I also would like to emphasize that D-8 has a platform established for private sector cooperation, namely D-8 COOP. It is a web portal developed for industrialists and businessmen of the Member States to get in touch, access corporate information, share know-how and transfer technology. By registering at the portal, you can access contact information of a great number of public and private institutions and also get timely information about the seminars, expos and conferences taking place in the D-8 Member Countries. Currently there are 659 companies from 29 industries registered at the web portal and the number is increasing. I hope that in shaa Allah, with MIHAS 2018, we will also have Halal industries registered on our web portal.

Ladies and Gentleman,

I would like to reiterate that MIHAS 2018 has been a huge success and this massive participation, both by Muslim and non-Muslim companies, is a clear indication that Halal is the future of the world. I am honoured to once again highlight that D-8, with its young and ever-growing population and well-established markets is poised to become the dominant player in the Halal sector in the near future. I am hopeful that this great potential will attract the most-deserved attention from the investors and MIHAS 2018 will mark the beginning of new and fruitful partnerships.

Once again, I would like to extend my profound appreciation to MITI, MATRADE and the MIHAS 2018 team for their excellent work, contribution, and hospitality.

I thank you very much for your attention.