

**Statement by the D-8 Secretary-General at the  
World Zakat Forum  
on 6 December, 2018 in Malacca, Malaysia**

*In the Name of Allah, the Most Compassionate, the Most Merciful. All praise and thanks be to Allah, the Lord of the Worlds. May the peace and blessings of Allah be upon Prophet Muhammad, his Family and his Companions.*

*His Excellency Datuk Seri Mujahid Yusuf,*

*Honorable Ministers, scholars, distinguished thinkers and intellectuals,*

*As-salamu alaikum wa rahamt Allahiwa barakaatuh!*

At the beginning of my speech, I would like to extend my sincere appreciation to World Zakat Forum for holding this conference and for being keen to hold it every year in the presence of devoted stakeholders of Zakat, from all around the world. I would like to thank you for bringing such an important issue to the attention of D-8 and would in particular want to express my sincere gratitude to Secretary-General of World Zakat Forum, Prof. Dr. Bambang Sudibyo for the kind invitation. I also would like to thank esteemed Ministers for their valuable presence and wish them utmost success in today's discussion. It is my fervent belief that our endeavours will create synergies to endorse Zakat **not only as a means to spiritual fulfilment but also as an economic leverage for the betterment of our nations and the Muslim Ummah** as a whole.

*Ladies and Gentlemen,*

Permit me to say that I am humbled to be given the opportunity to speak amongst such a scholarly crowd, with men of such knowledge and devotion. Yet, I believe that on my part I can make a valuable contribution for that I am a man of action, determination and belief. My organization, the D-8 Organization for Economic Cooperation, is an intergovernmental organization founded in 1997 by eight developing countries namely, Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. The aim of our Organization is to increase economic cooperation among our Member States in order to boost economic growth

and sustainable development and promote the well-being of our citizens. Before I continue any further, allow me to present you our short corporate video that summarizes the founding principles and current achievements of our Organization.

<https://www.youtube.com/watch?v=dL1GBEbWuig>

Thank you for your attention. I believe that the macroeconomic indicators have clearly depicted our Organization as the next “economic powerhouse”. As you have been presented, since its establishment, D-8 countries have advanced to a combined GDP of USD 4 trillion, exports of USD 1.5 trillion and intra trade of USD 110 billion. Among all indicators, however the real novelty of D-8 is that it is home to 1.1 billion people, 80% of which is Muslim. We are an international organization embracing global values, however we simply cannot disregard 850 million Muslims living in our nations. Quoting Amirul-Mu’minin Saidina Ali: “The ruled cannot prosper unless the rulers are sound”. **Therefore, in our capacity as the rulers, it is our foremost duty to cater for the needs of our citizens and endow them with the environment, the mindset and the institutions that will better enable them to fulfil their responsibilities, which brings us to the core issue of this conference: Zakat.**

*Ladies and Gentlemen,*

Today we tend to think social policy and welfare state as new inventions however the very foundation of transferring resources from the rich to the poor as a means to alleviate social inequality is already well reflected in the practice of Zakat. Loftiest socioeconomic aspirations of the 21<sup>st</sup> century set forth by the United Nations, which are known as the Sustainable Development Goals (SDGs) of alleviating hunger, improving health, reducing inequality, have already been underscored by the Islamic principles and Zakat, in particular. Independent studies show that in order to reach these SDG’s the world needs USD 3-5 trillion annually but current investment falls short at around USD 1.4 trillion. Zakat, by itself, creates USD 2.5 trillion, allowing this investment gap to be filled while also promoting peace and development.

Some of our Member States have been successful in establishing formal structures to institutionalize Zakat. In this regard, I would like to refer to Malaysia, who has one of the most extensive Islamic finance environments and the Zakat collection system in the world. As an integral part of the Islamic and Malay culture, Zakat is administered by a special body called Majlis Agama Islam Negeri (MAIN). The Islamic Religious Council of each state or MAIN

plays a unique role in the administration of zakat. Some councils like Selangor and Sarawak, have privatized both their zakat collection and distribution and some has made Zakat payment as convenient as through cheque, bank draft or postal order payable via salary deduction, zakat agents and zakat counters. The system is advanced and offers bespoke solutions to Muslims, allowing them to fulfil their duties in an efficient and convenient manner.

Apart from being one of the most fundamental tools of Islamic economy in bridging the gap between the rich and the poor, Zakat also acts as fiscal leverage, providing tax rebate, allowing Muslim people to get rid of double taxation.

At this point I would like to draw your attention to an independent case study carried out by a Turkish researcher. The study analyses a group of highly populated Muslim countries and finds out that if they were to follow the Malaysian system of compulsory and permanent monthly salary deduction scheme, Bangladesh would collect USD 43 billion, Pakistan would collect USD 33 billion, Indonesia USD 69 billion, Egypt USD 24 billion and Turkey USD 14.4 billion. **Excellencies, ladies and gentlemen, we are talking about an annual resource of USD 183 billion, in five countries alone. The amount of socioeconomic change this resource can stir and the impact it will have on our societies, I would leave that to your imagination.**

*Ladies and Gentlemen,*

*Distinguished Scholars,*

It is this very impact that drives me and my Organization to reconsider our position in this fundamental issue. The benefits are apparent, however the institutional framework is missing. As D-8 we believe that we can help solve this issue by aiding the establishment of an all-encompassing and self-sustaining platform. But before I delve into the details of this grand project, let me inform you about the existing structures at our disposal.

As the D-8 Secretariat we prioritize private initiative, reward creativity and keep faith in the young and bright entrepreneurs of our nations. To make best use of this innovative potential, we have initiated the **D-8 Project Support Fund**. The Fund aims at financing prefeasibility and feasibility studies of projects that bear significance for the economic and social endeavours of our Organization. From smart applications to fintech initiatives, from Halal ventures to novel ways of Islamic finance, we encourage young entrepreneurs of our Member States to approach us with their projects.

At this point I also would like to elaborate on our **MoU with the Islamic Development Bank (IsDB)**, a scheme that has granted us access to one of the world's leading financial resources. The MoU envisages cooperation in areas of implementation of Joint Projects and SME finance as well as allocation of scholarships through IsDB Scholarship Programme and exchange of knowledge and information. We are also actively encouraging our Member States to utilize the science and innovation platforms of IsDB namely **Engage** and **Transform** networks. In this regard, I once again call innovators, SMEs, private sector, NGOs, companies and governments to approach us with their projects in order to instill the dynamism of innovation to our economies.

We are also assessing alternative methods of SME finance in our countries. One successful example I would like to refer to is from Selangor, Malaysia. Selangor Board of Zakat or Lembaga Zakat Selangor (LZS) as a privatized entity has established a group of entrepreneurial zakat receivers known as Kumpulan Ushawan Asnaf Zakat (KUAZ). This establishment provides a platform for the productive zakat recipients to get exposure on their economic development programs as well as disseminating significant information on generating additional income such as building entrepreneurial skills and motivation programs. We believe that this is a perfect example of using Zakat as a benevolent fund and investigate the applicability of this best-practice in all Member States, both at municipal and at national level.

*Ladies and Gentlemen,*

*Distinguished Scholars,*

These are the existing and somewhat tangible platforms we all encourage you to participate. But at this level allow me to express my deep enthusiasm now that we are embarking on a much bigger and rather ambitious initiative by optimizing the Islamic financial tools such as Zakat, Waqf, Islamic Banking, etc. We would name it as “**Creative Islamic Economic Zone**”.

Industry has been at the core of D-8 cooperation right from the beginning. During my term in office, I have initiated talks with stakeholders from Member States on the possibility of building an industrial zone. As the idea flourished, we started discussing the inclusion of new elements and new structures to the system and ended up realizing that there has not been a solid attempt to build an Islamic Economic Zone. Excellencies, I would like to encourage you all to think about the virtue and grandiosity of this initiative: an economic zone, engaged in Halal ventures, funded by Waqf and Zakat systems, encouraged to engender and transfer technology

and governed solely by the Islamic principles. **A self-sustaining economic system that will be the token of our spiritual and economic commitment.** At the presence of esteemed Ministers, I hereby call the governments of the D-8 Member States, other Muslim countries and Muslim communities to seriously consider this plan. As D-8 we have already initiated talks with stakeholders on the prospective design of this Creative Islamic Economic Zone and encourage all Member States to be a part of this highly ambitious yet rewarding economic project.

Before I end my words, I would like to refer to Holy Qur'an, in Surah at Tavbah, verse 103, as already quoted by the Honorable Minister yesterday in his keynote speech.

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ

“Khuth min amwalihim sadaqatan tutahhiruhum watuzakkeehim biha wasalli AAalayhim inna salataka sakanun lahum waAllahu sameeAAun AAaleemun”

(Prophet!) take a portion of their possessions as Zakât so that you may thereby purify them (of their evils) and enhance them in their virtuous deeds, and pray for them, your prayer is indeed a (source of) solace for them. And Allâh is All-Hearing, All-Knowing.

As you see, Zakat payment is a process of cleansing the wealth and its owner. Allah not only promises rewards in the Hereafter but also to bless an enterprise so that it becomes more profitable. Zakat payment should not be seen as a burden, but rather a way for Muslims to appreciate the wealth that is bestowed upon them and to help those who are less fortunate. It is our duty to create platforms and environments to make this not only possible but also reachable and applicable for the Muslim Ummah, by all means available to us. As D-8 we stand ready to partner with anyone and everyone who aims at serving the economic aspirations of our nations and the needs of our people.

*Thanks for your attentive listening*

*Wa as-salamu alaykum wa Rahmatu Allah wa barakaatuh*