

WELCOMING SPEECH by H.E. Ambassador Musa KULAKLIKAYA, DG of SESRIC

WORKSHOP on ISLAMIC FINANCE in the NATIONAL ACCOUNTS

31 October – 02 November 2018

Ankara, TURKEY

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

*Distinguished Delegates, Ladies and Gentlemen,
Assalamu Alaykum we Rahmatullahi we Barakatuhu*

It is a great pleasure for me to welcome you all to the **Workshop on Islamic Finance in the National Accounts**, and thank you for accepting the invitation and participating in the Workshop. As SESRIC, we are honoured to be hosting this event and I would like to express our appreciation for the efforts of the **Statistics Division of ESCWA** and **UNSD** for furthering the work on Islamic Finance in the National Accounts and organising this Workshop.

Dear Colleagues,

Islamic finance has emerged as an alternative financial source in addressing the major development challenges and financing the SDGs. It is promising to witness the uninterrupted growth of Islamic Finance in the last decade. According to the recent statistics, the size of Islamic financial assets has risen from around 0.6 trillion USD to more than 2.3 trillion USD between 2007 and 2016. However, greater convergence as well as harmonisation of regulatory standards among OIC Member Countries is needed to improve long-term growth prospects of the industry.

Against this background, **OIC-2025: Programme of Action**, has laid out an agreed agenda for action by OIC member states and institutions towards fostering economic growth and development in our countries. **Islamic finance development** is outlined separately in the OIC Programme of Action due to its high importance and relevance to its member states. One of the programmes and activities listed under Islamic finance development is “*Undertaking studies and statistics aimed at identifying and defining the Islamic market’s actual potential through collaboration with specialized institutions*”.

In this connection, Islamic finance could turn out to be an effective instrument for **alleviating poverty** and **sharing prosperity** for all provided that a sound and enabling statistical architecture **supported by the data flowing from the National Statistical Systems** exists.

On our part, we **prioritise** the place of Islamic banking and finance in our programmes and activities. **Through collaboration with various stakeholders** at national and international levels such as having joined in the Inter Secretariat Working Group on National Accounts (ISWGNA) Task Force on Islamic Finance initiated by UNSD with the participation of other relevant national, regional and international stakeholders, SESRIC closely follows up the developments in the Islamic finance statistics arena and **strengthens the synergy** to improve the Islamic finance data quality and **sound infrastructure** for better data production and dissemination.

Esteemed Delegates, Sisters and Brothers,

Lack of coordination and harmonization concerning the production and dissemination of Islamic finance data in OIC countries is a major impediment for the sector. The availability of open, accessible, consistent and comparable Islamic finance data across countries is essential to **not only** support improved policy design

and implementation by decision makers **but also** design and promote quality research in the field. **SESRIC**, in collaboration with the relevant stakeholders, aims to construct an Islamic Finance Industry Database for OIC countries.

In this context, SESRIC has developed the project titled “**Developing Islamic Financial Industry Database of OIC Countries**” in close collaboration with the relevant international organisations. In this regard, I would like to convey my sincere thanks to all the national and international partners for their support given to this project from the very beginning.

The main objective of this project is to facilitate the development of a comprehensive, user friendly and harmonized statistical database for the Islamic financial industry in OIC countries, covering banking, capital markets, insurance, and non-bank financial institutions sector.

Building on the lessons learnt from previously initiated projects by other stakeholders, this project is further expected to **identify** the major issues, **develop** standardized methodology including the templates for data collection, and **collaborate** with national and international stakeholders.

In this respect, our collaboration with the **Central Banks, Monetary Authorities, National Statistical Offices** and **Academicians** of our member countries is crucial since they have valuable practice in collecting and disseminating the data at national level.

At global level, we welcome all the relevant international institutions [such as *AAOIFI, CIBAFI, IDB, IFSB, IIFMI, IRTI, UNSD, IMF and World Bank GIFDC*], as they have a long experience in monitoring the trends in the levels of financial inclusion in many developing countries around the World, including the OIC countries.

Distinguished Guests,

In order to benefit from the synergies and receive the comments of relevant stakeholders, we organised a **Stakeholder Meeting in October 2016** in the margins of the IMF-World Bank Annual Meetings and a **Consultative Meeting in September 2017** on the **design, scoping and planning of the project** as well as the way forward.

These activities were complemented with a **Questionnaire** designed by SESRIC with an aim to diagnose current stance of the countries in Islamic finance data practices and challenges faced by the countries. The questionnaire was sent to all NSOs and relevant authorities of OIC countries in 2017.

As an **initial attempt** to construct the database, we have started to disseminate seven indicators on **Islamic finance industry size and structure** through our **OICStat** database for **19 OIC countries** which are retrieved from different national and international sources.

In this sense, I want to stress that **developing partnerships** among the data producers and host institutions is critical so as to have harmonized, reliable and consistent data for all the parties affiliated to the Islamic finance Industry.

Distinguished Participants,

I am sure that this Workshop will not only provide us the opportunity to listen the experiences of international organizations and our member countries, but also will foster exchanges of knowledge to bring about an **effective cooperation and collaboration mechanism** among the relevant national and international

stakeholders for building a **sustainable Islamic Finance data ecosphere**. I do believe that throughout the sessions of the Workshop, we will also contemplate on how to raise **awareness** on Islamic Finance data issues.

The participation of all relevant national and international stakeholders will **strengthen the work of OIC-SESRIC and Members of the Task Force**.

Wishing you very productive deliberations, I pray to Allah Almighty to help us all and guide our steps to improve prosperity and welfare in our societies.

Wassalamu Alaykum we Rahmatullahi we Barakatuhu