Global Forum on Islamic Economics and Finance

Navigating the Path of Reforms for a Sustainable Global Islamic Economy

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Kuala Lumpur, 29st May 2024

THE GLOBAL ECONOMIC SITUATION HAS EVOLVED TO COMPLICATED CHALLENGES

HIGHER FOR LONGER

High interest rate environment poses challenges for monetary, fiscal, and financial sector stability



Prolonged tighter global liquidity



Deteriorated fiscal position



Squeezed critical spending & investment



Increase financial market volatility in EMs



CLIMATE CHANGE

Sources of threat to health, safety, economy & welfare, while provide opportunities for shifting towards a greener economy.



Extreme weather
Natural disasters
Primary sector disruption

VS



Electric vehicle



Energy Transition



Green industry

GEOPOLITICAL TENSION

Increase risks of supply disruption, reduce global trade & investment, while provide opportunity for global power shift



Escalating Conflicts & Wars



Trade & Investment Reconfiguration



Geo-economic Fragmentation



De-dollarization

DIGITALIZATION

Act as an important enabler, but comes with disruptive risks



AIs



Chip war



Mis-& Disinformation



Future of Work







The case of Reforms: UEA, Qatar, Saudi Arabia, Indonesia, Malaysia

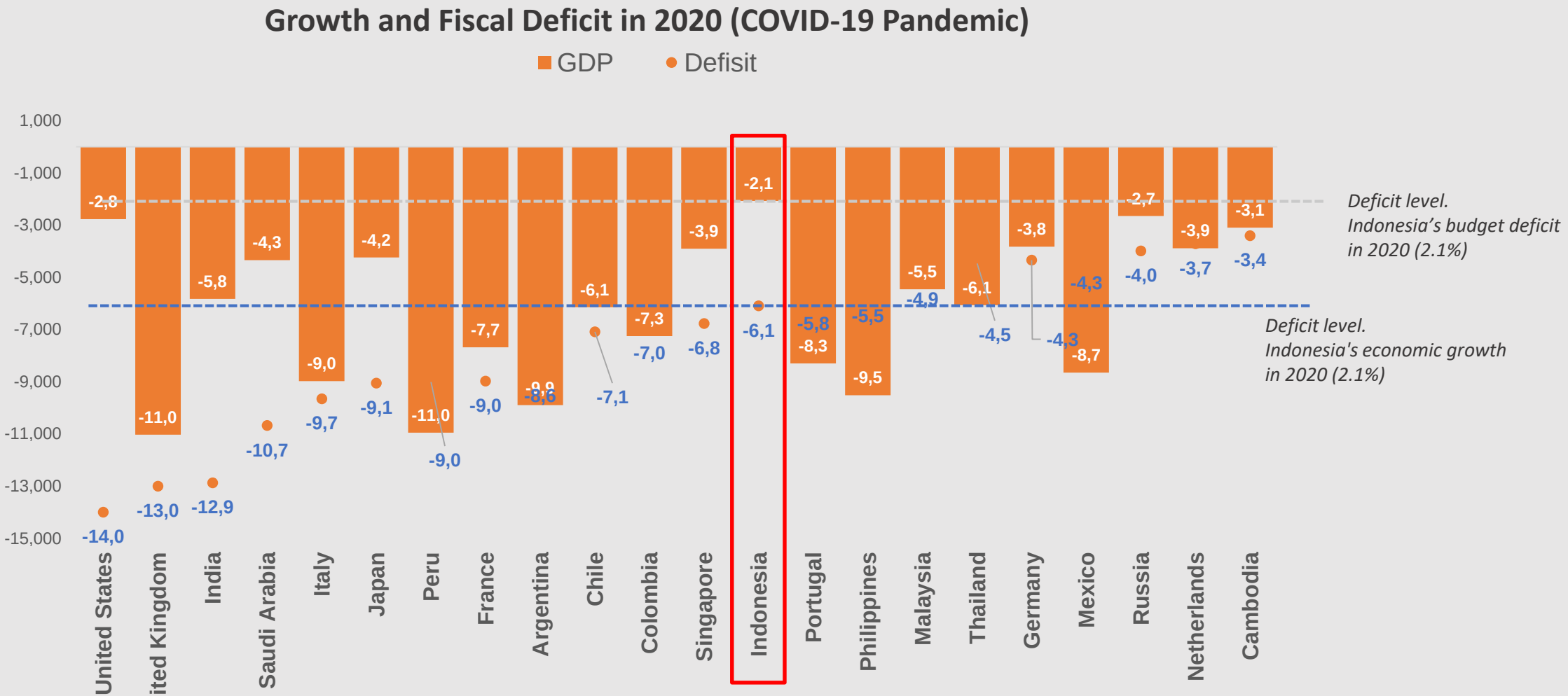
diversify economy beyond oil

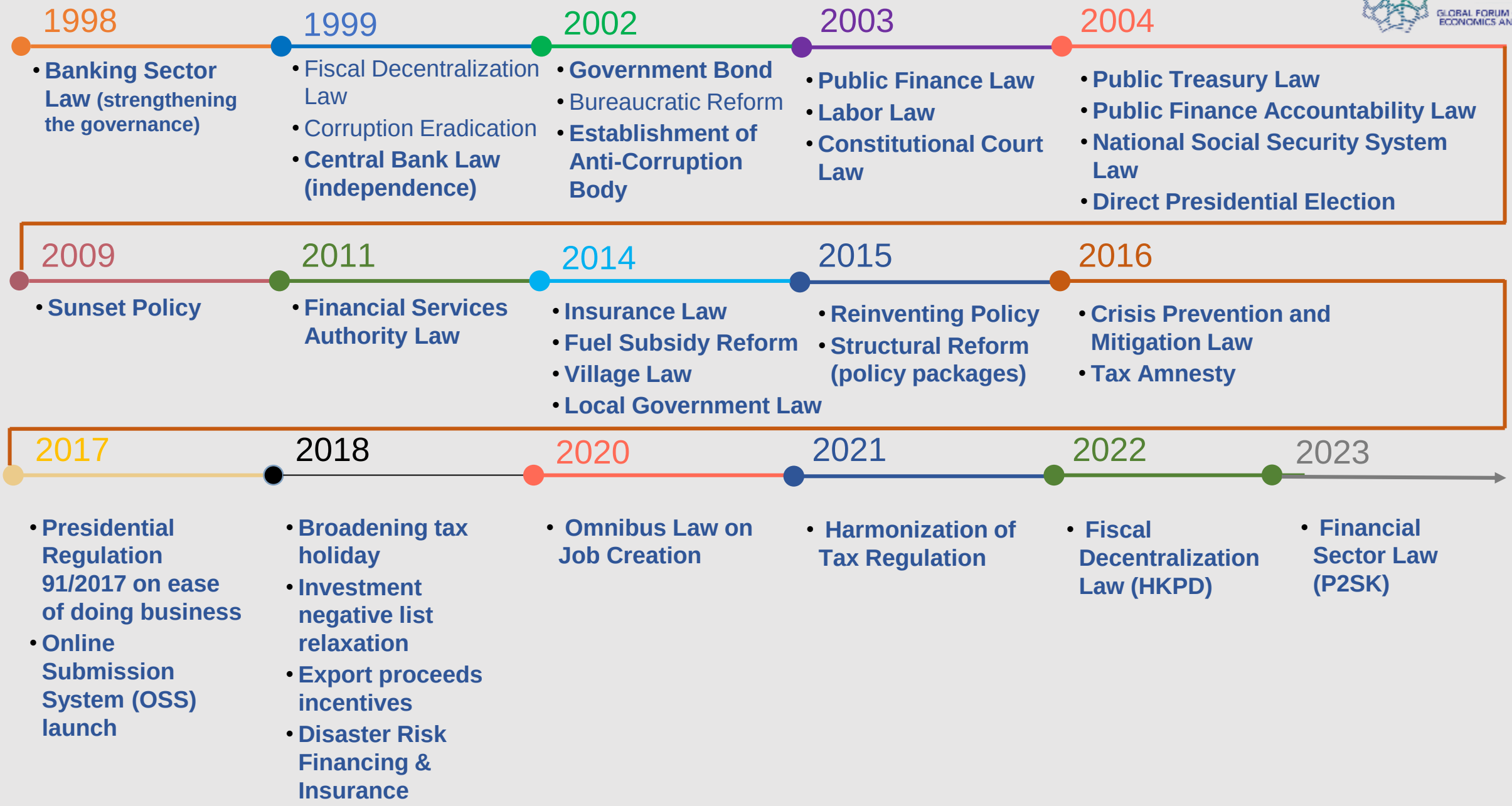


FIFA WORLD CUP
Qatar2022



INDONESIA– A GOOD BARGAIN DURING THE PANDEMIC





GFIEF
GLOBAL FORUM ON ISLAMIC ECONOMICS AND FINANCE

1998
- **Banking Sector Law (strengthening the governance)**

1999
- Fiscal Decentralization Law
- Corruption Eradication
- **Central Bank Law (independence)**

2002
- **Government Bond**
- Bureaucratic Reform
- **Establishment of Anti-Corruption Body**

2003
- **Public Finance Law**
- **Labor Law**
- **Constitutional Court Law**

2004
- **Public Treasury Law**
- **Public Finance Accountability Law**
- **National Social Security System Law**
- **Direct Presidential Election**

2009
- **Sunset Policy**

2011
- **Financial Services Authority Law**

2014
- **Insurance Law**
- **Fuel Subsidy Reform**
- **Village Law**
- **Local Government Law**

2015
- **Reinventing Policy**
- **Structural Reform (policy packages)**

2016
- **Crisis Prevention and Mitigation Law**
- **Tax Amnesty**

2017
- **Presidential Regulation 91/2017 on ease of doing business**
- **Online Submission System (OSS) launch**

2018
- **Broadening tax holiday**
- **Investment negative list relaxation**
- **Export proceeds incentives**
- **Disaster Risk Financing & Insurance**

2020
- **Omnibus Law on Job Creation**

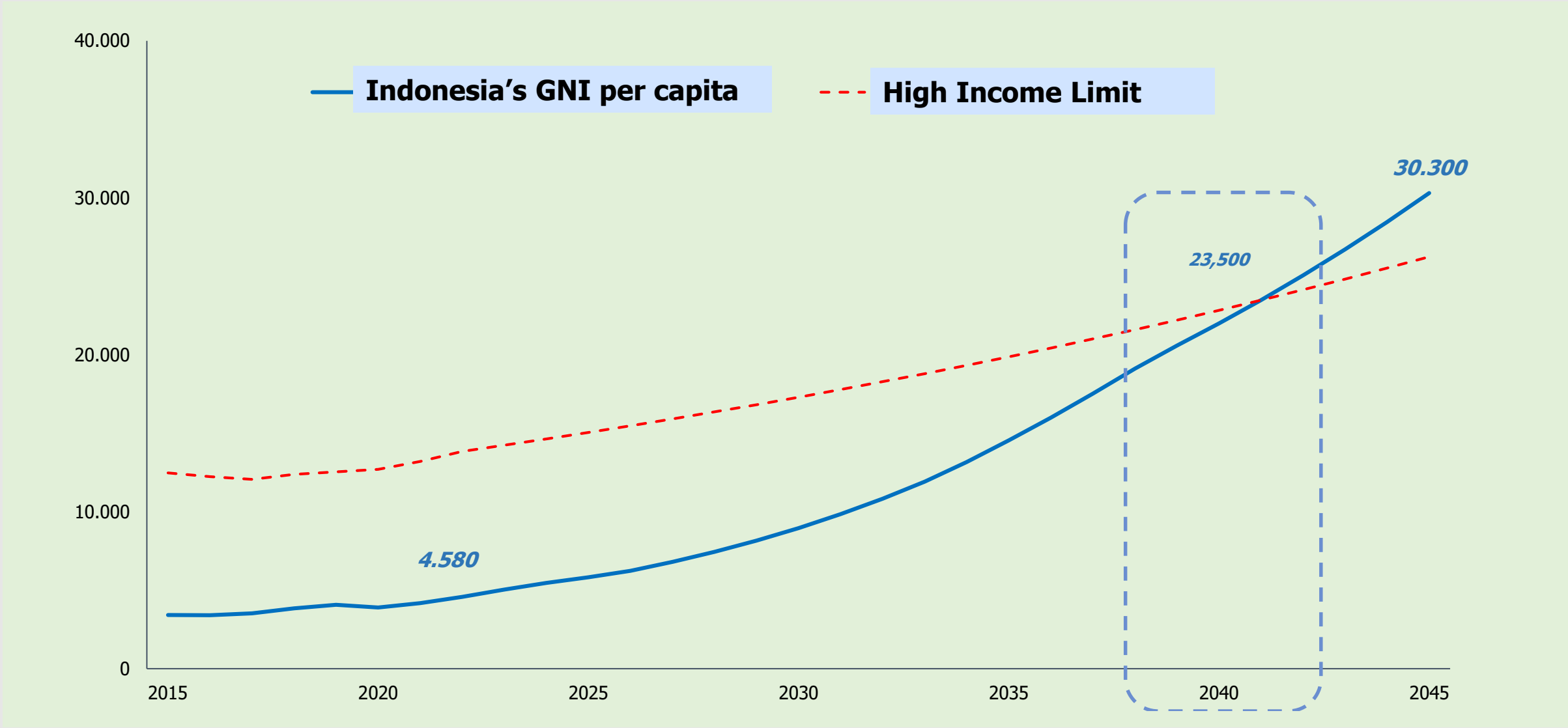
2021
- **Harmonization of Tax Regulation**

2022
- **Fiscal Decentralization Law (HKPD)**

2023
- **Financial Sector Law (P2SK)**

Source: Fitch, Moody's, S&P

INDONESIA'S 2045 VISION TO BECOME A DEVELOPED COUNTRY



Indonesia Islamic Instruments



Green SUKUK

Retail and Institutional

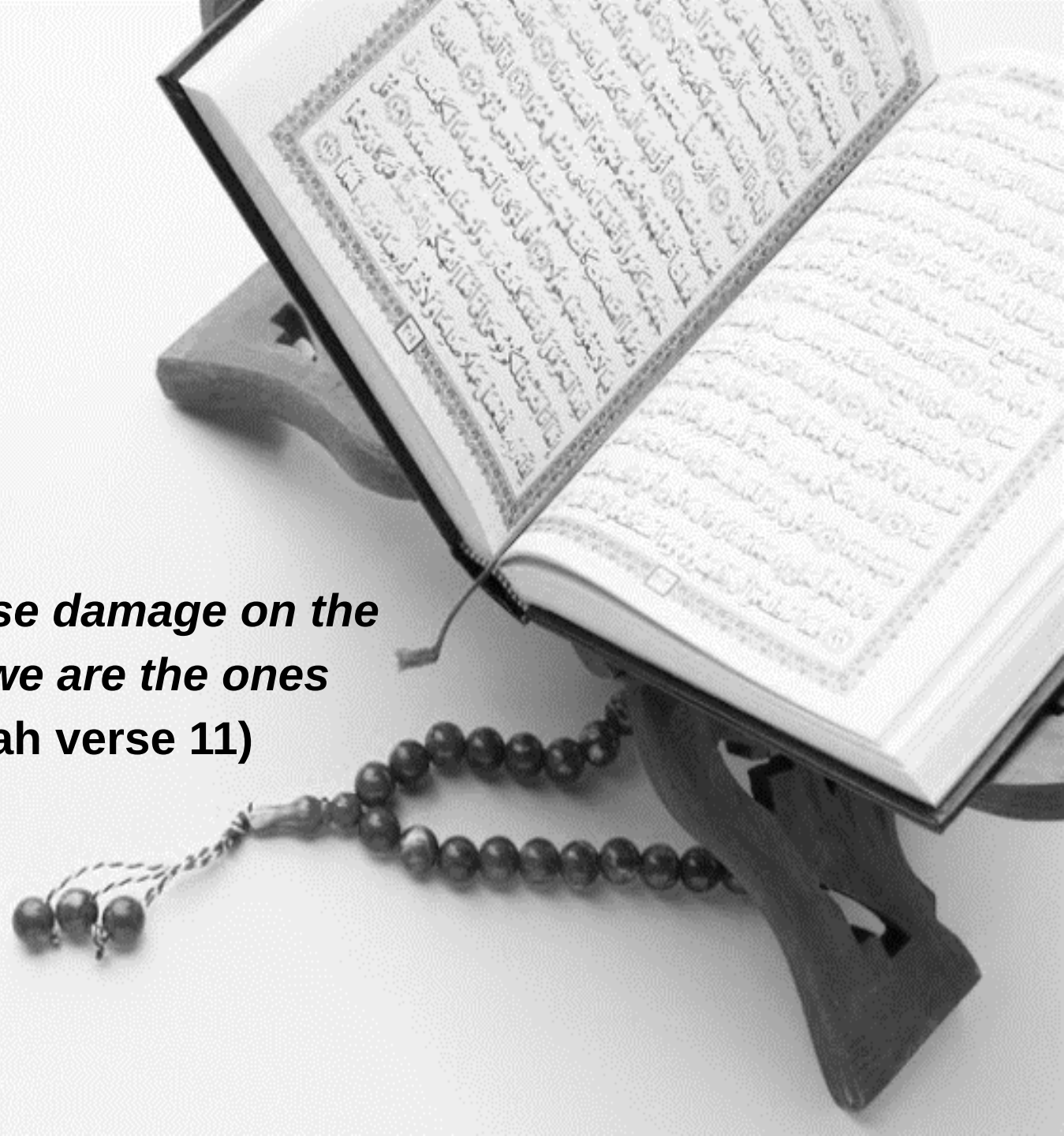
Indonesia issued the **World's First Sovereign Green Sukuk**

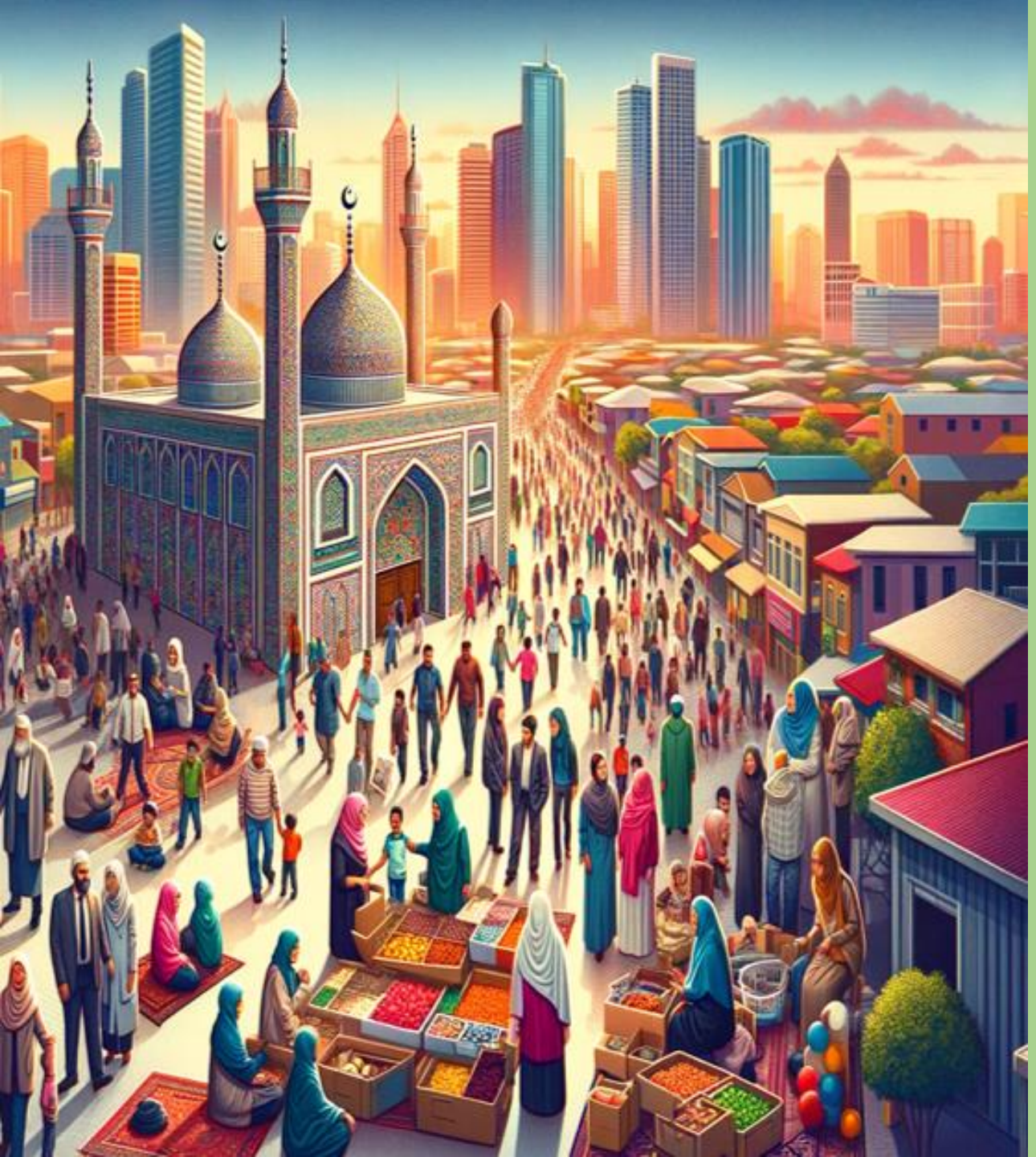
Indonesia had issued **$6Billion** worth of Green Sukuk in international market and **IDR57.07Trillion** in domestic market

Cash Waqf-Linked Sukuk

Indonesia new social and financial product integrating cash waqf and sukuk investment

And when it was said to them, 'Do not cause damage on the face of the earth:' They replied, 'Indeed we are the ones who make improvements.' **(Al-Baqarah verse 11)**





"Rahmatan lil 'Alamin"

Islam whose presence in people's lives is able to create peace and compassion for humans and the universe.

Together, we can overcome challenges, leverage our collective strengths, and create a brighter, more sustainable future for all.

Let's take this crucial step forward, united in our commitment to make a Sustainable Global Islamic Economy

THANK YOU
Terima Kasih