

Press Release

Global Islamic Finance Report 2019 places Indonesia in the Top Position in the Global Islamic Financial Market

The 2019 Global Islamic Finance Report (GIFR) is the annual Islamic banking and financial report which was first published in 2010 and has been recognized as a source of authentic market intelligence for the global Islamic financial industry. This report is published by the Cambridge Institute of Islamic Finance (Cambridge-IIF) and produced by Cambridge IFA, a global think tank to the banking and financial industry based in the UK.

In the latest 2019 Global Islamic Finance Report (GIFR), Indonesia managed to score 81.93 on the 2019 Islamic Finance Country Index (IFCI). As high score, Indonesia ranked first in the Global Sharia Financial Market. It is a pride, considering that last year Indonesia was ranked sixth.

This achievement was announced by Prof. Humayon Dar Director General of Cambridge-IIF in the event of GIFR 2019 at the Bappenas Building, Jakarta (17/10). On the same occasion, the award was presented and received by Bambang Brodjonegoro.

The results of the 2019 GIFR further strengthen the real role of Indonesia in the Islamic banking and financial industry in the world. Prof. Humayon Dar, Director General of Cambridge IIF has revealed several factors that pushed Indonesia's position to the top of the list, including the development of regulations followed by an improvement in the Islamic banking and financial industry ecosystem, strong political support from the government and also the great potential offered by the Sharia economy. .

Indonesia's Muslim population accounts for 13% of the total global Muslim population, equivalent to 215 million people. The government realized this great potential, so KNKS was formed through Presidential Regulation No. 91 of 2016, and is led directly by the President. The task of the KNKS is to accelerate, expand and advance the development of Islamic finance in order to support national economic development.

The commitment of President Joko Widodo in supporting the development of the Sharia economy, was strengthened with the launch of Masterplan of Islamic Economy 2019-2024 by the President on May 14, 2019. This road map recommends four strategic steps in the development of the Islamic economy, are strengthening the halal value chain, strengthening Islamic finance, strengthening Micro, Small and Medium Enterprises (MSMEs) and, strengthening the digital economy, which is expected to encourage Indonesia's role as the leading center of Global Islamic Economy in 2024.

Prof. Humayon Dar added, through various strategic steps undertaken by KNKS, Indonesia succeeded in creating a strong Islamic economic and financial regulatory ecosystem. The development of ecosystems for Islamic banking and finance, encourages developments in the halal tourism sector, zakat collection and distribution, and sukuk waqf. Interestingly, Indonesia also created a related regulatory framework. Even the introduction of waqf sukuk and the release of the Core Principles of Waqf by the government

have opened up greater potential and opportunities in bridging the funding gap to meet the Sustainable Development Goals.

The government has carried out many strategic initiatives such as the establishment of BPKH, the issuance of the Green SUKUK, the SUKUK Cash Waqf Link, the national Islamic financial literacy program, the availability of the Halal Product Guarantee Act, the Islamic Banking Law, the Waqf Law, the SBSN Law and others. These efforts necessarily require continued efforts and are developed in an integrated manner, by involving various stakeholders and sectors as a system based on Islamic economics, so that has a significant direct impact on growth in the real sector and fundamentally plays as a focus of the Islamic economic system.

Bambang Brodjonegoro explained that the development of the Islamic financial industry is inseparable from the role of educational institutions in providing and improving the quality of Islamic financial human resources. This award is expected to further encourage the motivation of all Islamic economic stakeholders in Indonesia to respond to the opportunities and challenges faced in the development of Islamic economics in Indonesia. So that the realization of the vision of Indonesia to become an independent, prosperous and civil society of Indonesia by becoming the leading Islamic economic center in the world.

While Ventje Rahardjo Soedigno, said the 2019 GFR Award was an acknowledgment of the joint efforts of all parties (the government, business actors, academics, and the community) in realizing the Masterplan of Islamic Financial Architecture (MAKSI) & the Masterplan Indonesian Islamic Economic (MEKSI) in order to enhance the economic role and Islamic finance in the national economic development strategic plan.

For Further Information :

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About National Islamic Finance Committee (KNKS)

To develop the potential while addressing the Islamic economy and finance in Indonesia, the government established the National Islamic Finance Committee (KNKS) through Presidential Regulation Number 91 of 2016 regarding the National Islamic Finance Committee. The committee is directly chaired by the President and Vice President of Indonesia, together with 10 Steering Boards consisting of the Ministry of PPN/Bappenas, Coordinating Ministry for the Economy, Finance and Industry, Ministry of Finance, Ministry of State Owned Enterprises, Ministry of Religious Affairs, Ministry of Cooperatives and Small and Medium Enterprises, Central Bank of Indonesia, Financial Service Authority of Indonesia, Indonesia Deposit Insurance Corporation, and the Indonesian Council of Ulama.