

INDONESIA MENUJU KIBLAT BARU EKOSISTEM ISLAM DUNIA: FAKTA DAN STRATEGI

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Dalam rangka mengetahui posisi Indonesia dalam peta ekosistem dunia, terutama dalam bidang ekosistem Islam, maka kita perlu melihat dari berbagai aspek, seperti keuangan Islam, *fashion*, Kosmetik, Travel, dan makana halal. Tulisan ini akan mengacu pada data yang dipublikasikan oleh Thomson Reuters, yakni *Annual Report on State of the Global Islamic Economy Report*.

Pada kertas kerja ini, kami resume perkembangan ekosistem Islam dunia sejak tahun 2014 – 2018 dalam bentuk cuplikan dalam laporan tahunan oleh Thomson Reuters.

1. The State of Global Islamic Economy Report 2014/2015



THE GLOBAL ISLAMIC ECONOMY OVERVIEW

This Report represents the Global Islamic Economy as **core sectors** and their ecosystems, which are **structurally affected by Islamic values-driven consumer lifestyle and business practices.**¹

These **core sectors** are primarily centred around **financial services and food** but also include **lifestyle sectors of travel, modest fashion, pharmaceuticals and cosmetics, and media and recreation**. Other segments include **education and philanthropy** but these are not covered in this Report.



GLOBAL ISLAMIC ECONOMY

\$2 trillion of food & lifestyle sector expenditure and **\$1.66 trillion** in Islamic finance assets (2013)



TOP Country for the Global Islamic Economy Indicator: **MALAYSIA**

- TOP 10**
- | | |
|------------------------|--------------|
| 1 Malaysia | 6 Qatar |
| 2 United Arab Emirates | 7 Kuwait |
| 3 Bahrain | 8 Jordan |
| 4 Oman | 9 Pakistan |
| 5 Saudi Arabia | 10 Indonesia |



Halal Food



TOP 3 Countries for the Halal Food Indicator:

- MALAYSIA
- United Arab Emirates
- Australia



Company Examples:
Merrybrown (Malaysia)
BRF (Brazil)
Al Islami (UAE)
Saffron Road (USA)



Islamic Finance



TOP 3 Countries for the Islamic Finance Indicator:

- MALAYSIA
- Bahrain
- United Arab Emirates

Current Total Islamic Finance Market (2013)
\$1,658 Billion



Company Examples:
Al Rajhi Bank
Kuwait Finance House
Shekra
Wafaalend



Travel



TOP 3 Countries for the Halal Travel Indicator:

- MALAYSIA
- United Arab Emirates
- Singapore



Company Examples:
Shaza Hotel (GCC)
Marriott International
Sofyan (Indonesia)
HalalBooking.com



Fashion



TOP 3 Countries for the Modest Fashion Indicator:

- UNITED ARAB EMIRATES
- China
- Italy



Company Examples:
Zohre Pardesu (Turkey)
Shukr (Jordan)
Islamic Design House (UK)
Artzara (USA)



Media & Recreation



TOP 3 Countries for the Halal Media & Recreation Indicator:

- SINGAPORE
- United Arab Emirates
- United Kingdom



Company Examples:
Awakening Records (UK)
Al-Kanz (France)
Muslim Pro app (Singapore)



Pharma & Cosmetics



TOP 3 Countries for the Halal Pharma & Cosmetics Indicator:

- MALAYSIA
- Egypt
- Singapore



Executive Summary

Muslims today are reengaging their traditional values for modern times. Both in Muslim and non-Muslim majority societies, traditional values like modesty, the concept of halal, Islamic principles regulating finance are being negotiated for our modern context. The result is a burgeoning Islamic economy. **The State of the Global Islamic Economy Report 2015/16** brings you the latest developments and trends from this economy whilst also acting as a roadmap for you and your business to profit from this rising global market.

Momentum has been building since last year, the **Halal food** sector saw South Africa partnering with Malaysia as the Western Cape Fine Food Initiative and the Malaysian Industry Government Group for High Technology (MIGHT) signed a co-operation agreement to foster partnerships between the Halal industries of the two countries; further cooperation occurred between South Korea and Abu Dhabi with South Korea gaining additional access to the global Halal market; obstacles were removed as a 10 year old poultry ban for exporting poultry products to countries in the Middle East has been lifted from Pakistan that was imposed after the bird flu epidemic in 2004. In the **Islamic Finance** sector, corporate sukuk issuance levels remain robust in the core Islamic Finance markets as Malaysia's Bank Islam issued its first sukuk tranche worth \$83 million and Dubai's Noor bank marketed a \$500 million, five-year debut, U.S. dollar sukuk issue. Beyond sukuk, a Bahrain-Dubai joint venture closed its third Bombardier deal and Cameroon's Afriland First Bank launched its Islamic window as the availability of shariah-compliant financial products expands across the continent.

Halal travel continues to soar. On the aviation front, Fatonee Airlines, a new airline in southern Thailand, is now targeting Muslim customers by providing direct flights to Saudi Arabia for Hajj and Umrah. While Etihad

Airways and Tourism Malaysia have signed a global partnership agreement to boost inbound tourism to Malaysia. **Modest Fashion** is garnering major investment from global fashion brands such as Uniqlo, Mango and Tommy Hilfiger. Storytelling continues to succeed in the **Media & Recreation** sector, presently Fortress Film Clinic is promoting film industry in Dubai as can be seen through the examples of Mission Impossible, Fast & Furious and Star Wars sequels. For the future, a National Film Grant has been established by the Islamic Scholarship fund in the USA. Lastly, in the **Pharmaceuticals and Cosmetics** sector Malaysia is set to create the first Halal vaccine.

The Muslim consumer spending across these sectors in general is worth \$1.8 trillion in 2014, rising to \$2.6 trillion by 2020. This forms the potential market universe for the core Halal product and services categories. With a consumer base of predominantly young 1.7 billion Muslims around the world, growing at two times the rate of the global population, the Islamic economy is one of the fastest growing markets in the world. At a time where the IMF describes the global economy entering 'secular stagnation' due to a decline in investments and an ageing population, the Islamic economy stands in stark contrast offering the most viable solution to global economic growth and success in the 21st Century.



GLOBAL ISLAMIC ECONOMY

\$1.8 trillion of food & lifestyle sector expenditure (2014) projected to reach \$2.6 trillion (2020)
\$1.35 trillion in Islamic banking assets (2014) projected to reach \$2.6 trillion (2020)



Halal Food



Islamic Finance



Travel



Fashion



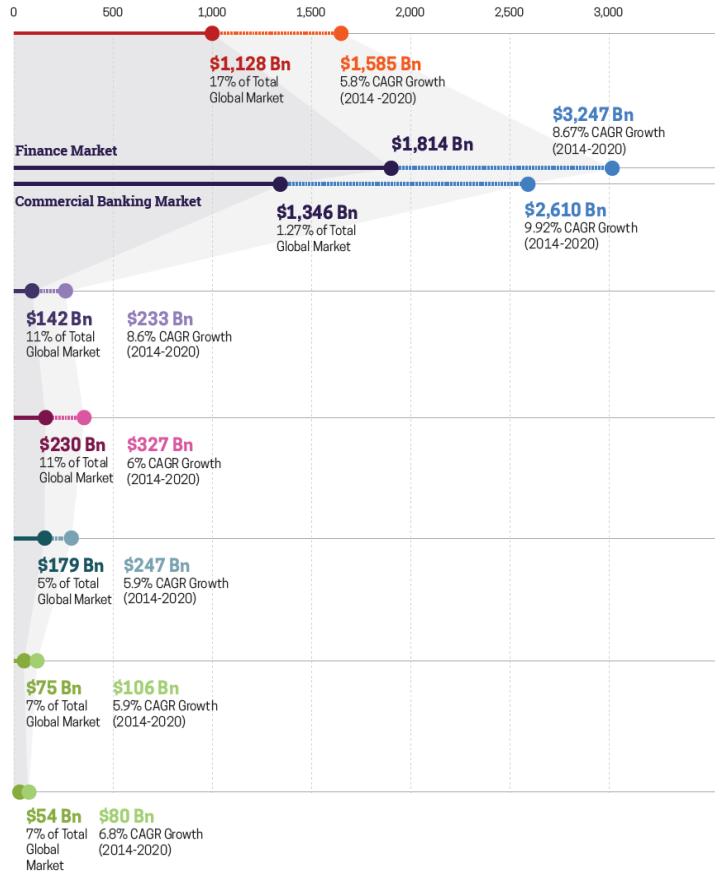
Media & Recreation



Pharmaceuticals



Cosmetics



References: ● Existing Muslim Market* (2014, USD) ● Potential Market Size (2020, USD)

TOP 10 Countries

Global Islamic Economy Indicator



Malaysia

- 2 United Arab Emirates
- 3 Bahrain
- 4 Saudi Arabia
- 5 Pakistan
- 6 Oman
- 7 Kuwait
- 8 Qatar
- 9 Jordan
- 10 Indonesia



Total Global Market (2014, USD)
\$6,755 Bn

TOP 5 Countries for the Halal Food Indicator

- 1 Malaysia
- 2 Pakistan
- 3 United Arab Emirates
- 4 Australia
- 5 Oman



Global Banking Asset (2014, USD)
\$ 105.7 Tn

TOP 5 Countries for the Islamic Finance Indicator

- 1 Malaysia
- 2 Bahrain
- 3 United Arab Emirates
- 4 Saudi Arabia
- 5 Oman



Total Global Market (2014, USD)
\$1,304 Bn

TOP 5 Countries for the Halal Travel Indicator

- 1 Malaysia
- 2 United Arab Emirates
- 3 Singapore
- 4 Thailand
- 5 Jordan



Total Global Market (2014, USD)
\$2,119 Bn

TOP 5 Countries for the Modest Fashion Indicator

- 1 China
- 2 United Arab Emirates
- 3 Italy
- 4 Burkina Faso
- 5 Sri Lanka



Total Global Market (2014, USD)
\$3,543 Bn

TOP 5 Countries for the Halal Media & Recreation Indicator

- 1 Singapore
- 2 United Arab Emirates
- 3 Lebanon
- 4 United Kingdom
- 5 France



Total Global Market (2014, USD)
\$1,111 Bn

TOP 5 Countries for the Halal Pharma & Cosmetics Indicator

- 1 Singapore
- 2 Egypt
- 3 Malaysia
- 4 Pakistan
- 5 Jordan



Total Global Market (2014, USD)
\$742 Bn

TOP 5 Countries for the Halal Pharma & Cosmetics Indicator

- 1 Singapore
- 2 Egypt
- 3 Malaysia
- 4 Pakistan
- 5 Jordan

In the name of God, the Most Merciful, the Most Beneficent

Executive Summary

The Islamic Economy continues to evolve, driven by young Muslims asserting their values, and requiring companies to provide products and services that meet their faith-based needs. Indeed, the statistics speak for themselves, with the Islamic Economy estimated to be worth \$1.9 trillion in 2015. **The State of the Global Islamic Economy Report 2016/17** brings you the latest developments and trends from this economy whilst also highlighting specific opportunities for you to engage with this sector.

We have listened to the industry and millennial consumers for the first time in this report series and sentiment on the Islamic Economy is overwhelmingly positive. In a first for this Report, 172 industry participants were surveyed on their sector's performance. Businesses confirm that the aggregate Islamic Economy is a high-growth segment, with 69 percent considering sector performance to be good or excellent for them, and 86 percent of respondents either optimistic or very optimistic about future prospects (indicating future intent to continue to invest in this space.)

Separately, another first for this report series has been millennial consumer sentiment about the Islamic Economy using social media data analysis. From 425k interactions analyzed, 76 percent of sentiments were positive.

This report estimates global Muslim spend across sectors at over \$1.9 trillion in 2015, while the Islamic Finance sector has around \$2 trillion in assets. Food and beverage tops Muslim spend by category, at \$1.17 trillion in 2015, followed by clothing and apparel at \$243 billion, media and recreation at \$189 billion, travel at \$151 billion, and spending on pharmaceuticals and cosmetics at \$133 billion. Another first in this report, we have estimated the revenues from Halal Certified Food and Beverage products to be \$415 billion;

revenues from Modest Fashion clothing purchased by Muslim women to be \$44 billion and revenues derived from Muslim Friendly Tourism services to be \$24 billion, in 2015.

Each and every sector has evolved substantially, evidenced by new products, new players, and the maturing of existing players.

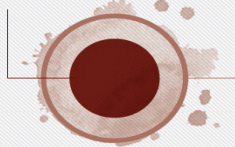
Halal Food, the largest Islamic Economy pillar by revenue has shown clear signs of maturity with increased private equity investments in the sector, including \$30 million invested in UK's Janan Meat, and Malaysia's Dagang Halal undertaking an IPO on the London Stock Exchange. Upgrades in regulations are also occurring, with the introduction of accreditation to oversee certifiers set to reduce complexity and encourage more players to enter the Halal Food industry. However, the sector remains fragmented, and the lack of standardized regulations has inhibited mainstream multinational food and beverage companies from entering the Halal Food industry. Real opportunities exist for multinationals and private equity firms to acquire existing Halal Food companies and create leading global brands, with Muslim spend on food and beverage expected to reach \$1.9 trillion by 2021.

The **Islamic Finance** sector has shown robust growth and increasing sophistication. This has

GLOBAL ISLAMIC ECONOMY

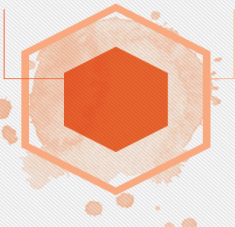
ISLAMIC ECONOMY OVERALL SIZE

2015 **\$1.9 Tn** 2021 **\$3 Tn**
Food & Lifestyle Sector Expenditure **Projected Market Size** (8% CAGR Growth)



ISLAMIC FINANCE ASSETS MARKET SIZE

2015 **\$2 Tn** 2021 **\$3.5 Tn**
Total Islamic Finance Assets **Projected Market Size** (9.5% CAGR Growth)



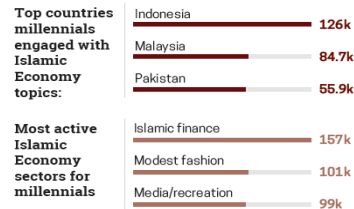
TOP 10 Global Islamic Economy Indicator Score

- | | |
|----------------|--------------|
| 1 MALAYSIA | 6 Pakistan |
| 2 UAE | 7 Kuwait |
| 3 Bahrain | 8 Qatar |
| 4 Saudi Arabia | 9 Jordan |
| 5 Oman | 10 Indonesia |

Millennial Engagement¹



452,600
 Facebook interactions



Islamic economy sentiment:



76% Positive
 17% Negative
 7% Neutral

Industry Insights²

172 Industry executives surveyed across all Islamic Economy sectors



Performance:

69%

consider sector performance to be "good" or "excellent"

Halal Food respondents most optimistic – 80% saying performance "good" or "excellent"; 37.5% rating their sector as "excellent"

Optimism:

86%

either "optimistic" or "very optimistic" about future prospects, with 42% "very optimistic"

Financing:

49%

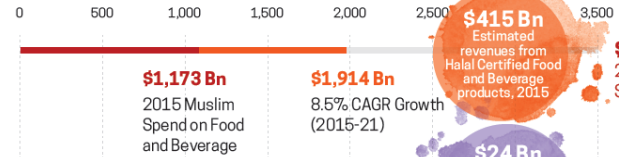
using Shariah financing either fully or most of the time

59%

need financing for either working capital trade finance or long-term expansion



Halal Food



Halal Travel



Modest Fashion



Halal Media & Recreation



Halal Pharmaceuticals



Halal Cosmetics



Islamic Finance



Existing Muslim Market* (2015, US\$ Bn) Potential Market Size (2021, US\$ Bn)

In the name of God, the Most Merciful, the Most Beneficent

Executive Summary

The Islamic Economy is at the cusp of major growth and widespread recognition, having gained traction as Muslims assert their religiosity and traditional values. Awareness about the concept of Halal is on the rise, and companies are responding to these consumer needs, be it for products or services. **The State of the Global Islamic Economy Report 2017/18** brings you the latest developments and trends from this economy while also highlighting the future direction of this sector.

For the second year running, we have listened to the industry and millennial consumers to gauge views, opportunities and challenges. Sentiment across the board, from Halal Food to Islamic Finance and Modest Fashion, to Halal Travel, Halal Pharmaceuticals and Cosmetics, is overwhelmingly positive at 77 percent of interactions. For the first time, we look at the future state of what the Islamic Economy might be like in 2030 if core challenges and opportunities are addressed, which can see the emergence of multi-billion-dollar, scaled global enterprises.

This Report estimates that Global Muslim spend across lifestyle sectors was \$2 trillion in 2016, while the Islamic Finance sector has \$2.2 trillion in total assets. Food and beverage leads Muslim spend by category, at \$1.24 trillion, followed by clothing and apparel at \$254 billion, media and entertainment at \$198 billion, travel at \$169 billion, and spending on pharmaceuticals and cosmetics at \$83 billion and \$57.4 billion respectively.

Malaysia continues to lead the Global Islamic Economy Indicator, followed by the UAE and Saudi Arabia.

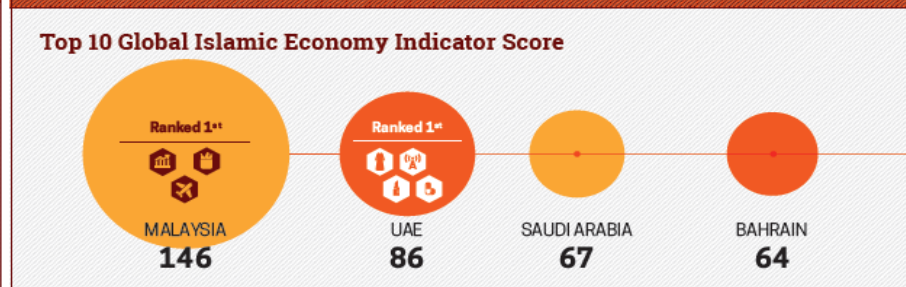
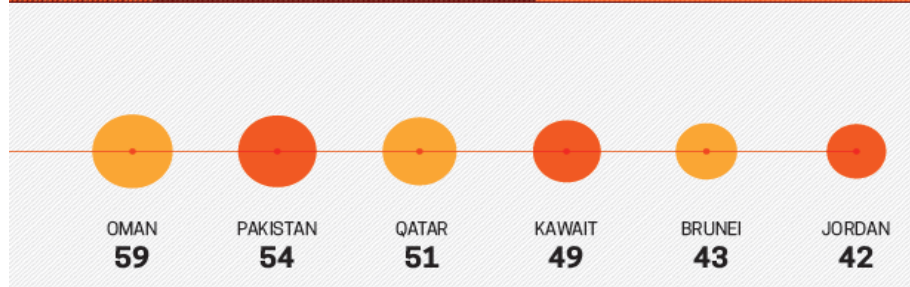
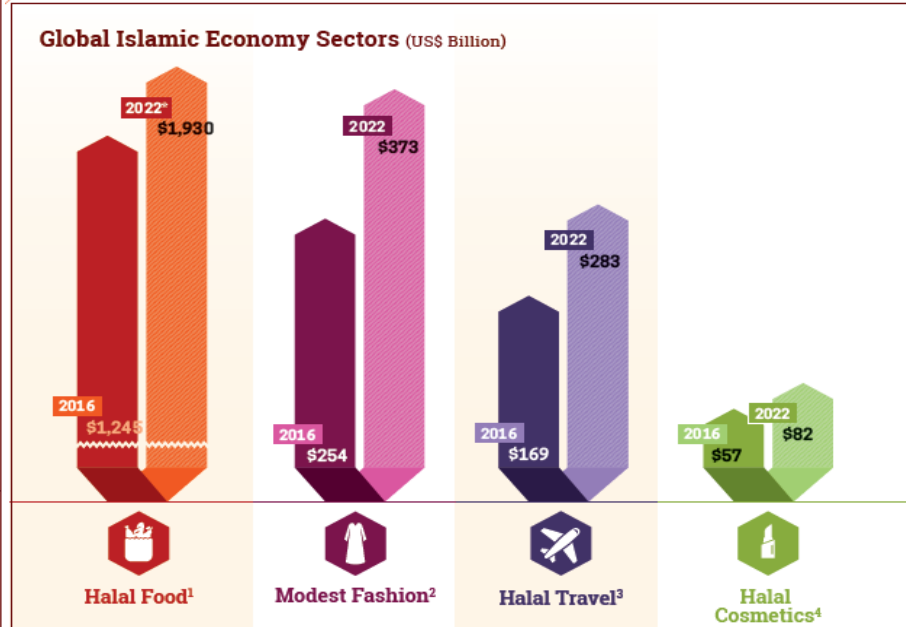
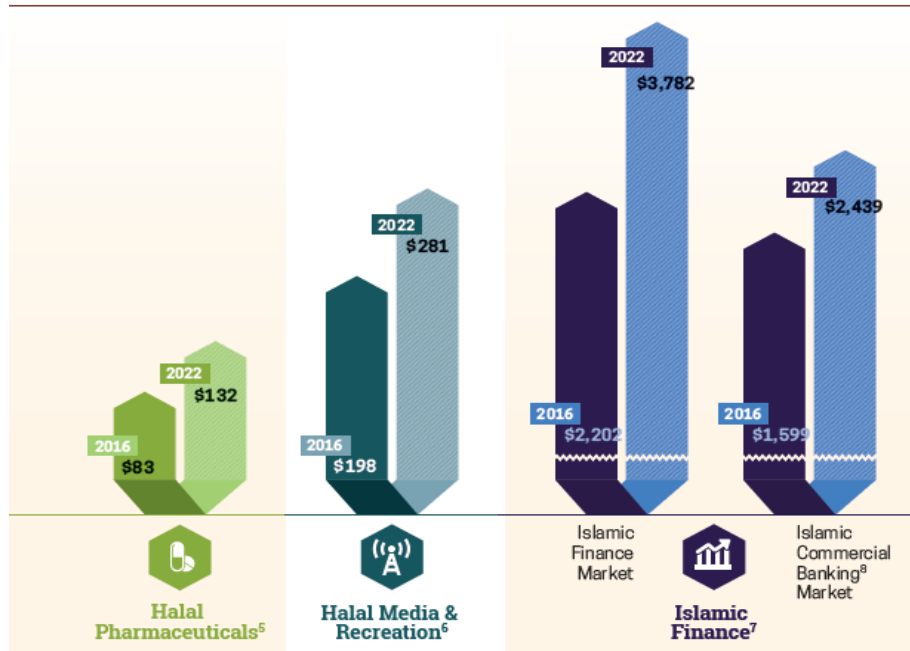
Halal Food is the largest and most diverse sector of the Islamic Economy. New entrants have come into the market, and product offerings have firmly moved

beyond being meat-focused to include candy, ready-made meals, snacks and children's food.

Established players are expanding at home and abroad, including through franchising. Multinationals have also made major investments in Muslim-majority markets, anticipating rising demand. Meanwhile, Private Equity investment and sovereign wealth funds have been particularly active, and a number of Halal Investment Funds are in development. The International Halal Accreditation Forum established in the UAE in 2016, with 27 global accreditation bodies as members, is a further positive development for the industry. With Muslim spend on food and beverages growing at nearly double that of global growth, there are significant opportunities for investment and the creation of global Halal Food brands, with spending expected to reach \$1.93 trillion by 2022.

The **Islamic Finance** sector continues to evolve. Both Muslim-majority and Muslim-minority countries are recognizing the segment's potential, with banks becoming fully-fledged Islamic institutions, and governments encouraging Islamic Finance to improve financial inclusion. The sukuk industry continues to mature, with a number of debut sukuk issuances over the past year and more in the pipeline. Further propelling growth is the adoption of Islamic FinTech, be it the world's first Sharia-compliant robo-advisory firm, or the first

GLOBAL ISLAMIC ECONOMY



Executive Summary

In the name of God, the Most Merciful, the Most Beneficent

The State of the Global Islamic Economy Report 2018/19 brings you the latest developments and trends from this economy while also highlighting the future direction of this sector.

With 1.8 billion Muslims, and Muslim spend estimated at US\$2.1 trillion in 2017, the Islamic economy continues its steady growth. But there is significant scope for growth and maturity in the Islamic economy, with a mere US\$745 million in disclosed private equity investments over three years, far less than the almost US\$595 billion in private equity and venture capital investments that occurred globally in 2017.

While more government backing is needed in certain segments of the Islamic economy, at the same time there was a more nuanced focus on the necessary steps to take the Islamic economy further, especially regulations. We are also seeing certain countries come out as leaders, notably the UAE, Malaysia and, to a lesser degree, Saudi Arabia and Indonesia.

This report estimates that global Muslim spend across lifestyle sectors was US\$2.1 trillion in 2017, while the Islamic finance sector has US\$2.4 trillion in total assets. Food and beverage leads Muslim spend by category at US\$1.3 trillion, followed by clothing and apparel at US\$270 billion, media and entertainment at US\$209 billion, travel at US\$177 billion, and spending on pharmaceuticals and cosmetics at US\$87 billion and US\$61 billion respectively.

The Islamic economy has shown it is in tune with the latest developments in technology and investment. Companies have adopted blockchain technology for payments, to confirm halal compliance, or track food, cosmetics and pharmaceutical products from the manufacturing facility to the retailer. In Islamic finance, blockchain and automation is expanding access to financial services.

Smart technologies are being incorporated into clothing, such as the smart hijab, to GPS systems that show the closest prayer spaces. Equally, investment is taking place in artificial intelligence (AI), virtual reality (VR) and the internet of things, showing a readiness to cater to the needs of Muslims in the 21st century.

The Islamic economy is also tapping into the growing trend for ethical products and services. It is a trend that the Islamic economy is perfectly aligned with, from Islamic finance based

on ethical, shariah-based principles, to halal food that heightens trust between producer and consumer — from the farm to the fork. Blossom Finance is a perfect example, with its blockchain solution to help SMEs raise sukuk finance.

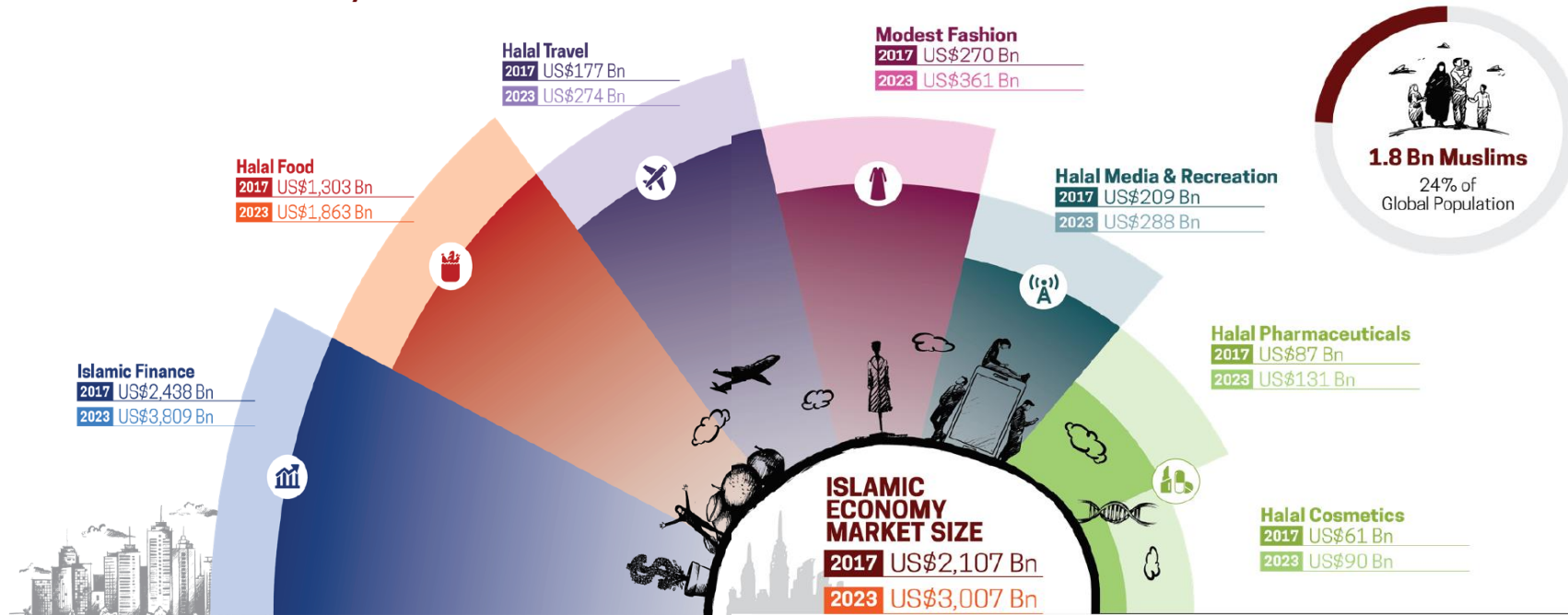
Islamic companies are equally tapping into the growing trend for natural and vegetarian products, from organic halal cosmetics to halalopathy, to life-saving vaccines free from animal components.

Halal Food has more companies than any other sector of the Islamic economy. More and more products are on offer as ingredients are increasingly halal certified, and company portfolios diversify to cater to increasingly sophisticated taste buds, from burgeoning demand for halal-certified mozzarella, to growing demand for organic food. Multinationals have noted the opportunity, with Haribo opening a halal candy store in London, and Japan's Mitsubishi Corporation investing in the UAE's Al Islami Foods. Mergers and acquisitions activity continues, although a number of major investments are still needed to take the sector to the next level — a global halal food brand. Regulatory oversight of halal food production is steadily improving, with the UAE and Malaysia taking the lead. With Muslim spend on food and beverages growing at 6.1 per cent and forecast to reach US\$1.9 trillion by 2023, there are significant opportunities for investment and the creation of global halal food brands.

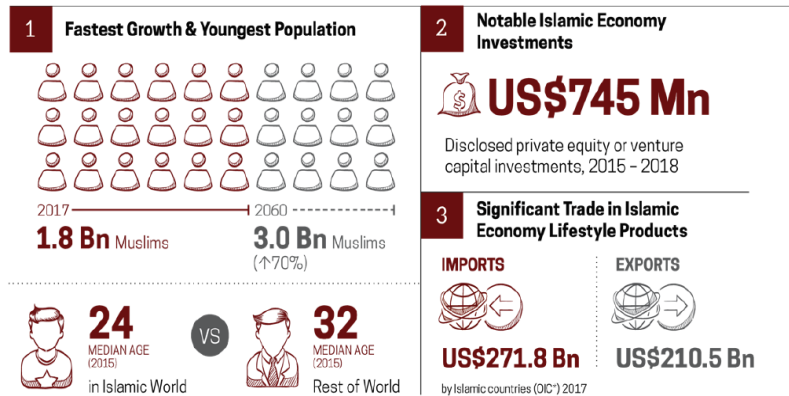
The **Islamic Finance** sector is fast becoming a force to be reckoned with, especially in OIC countries. Islamic banking penetration is on the rise, notably in the UAE, while Islamic finance overtook conventional loans in Malaysia in 2017 as the growth driver of the domestic banking system. Islamic finance has moved beyond the core hubs of the UAE and Malaysia to include new entrants as governments seek to bolster financial inclusion, from East Africa to Central Asia. Sukuks continue to be issued, including the first dollar-denominated sukuk by a GCC issuer for US\$1 billion. Islamic investment platforms are being developed that utilise FinTech, from the world's first shariah-compliant robo-advisory firm, to the first shariah-compliant gold platform. A burgeoning sector, assets were estimated at US\$2.4 trillion in 2017, and expected to surge to US\$3.8 trillion by 2023.

Halal Travel is spreading its wings through offering cultural, historical, religious and beach tourism. Muslim-friendly beach resorts are proving particularly popular, while governments in the Middle East as well as the Far East are expanding

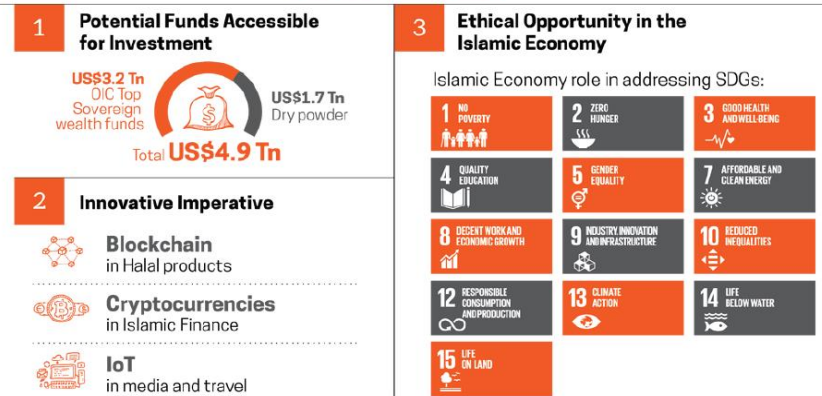
Global Islamic Economy



Key Drivers Today



Future Enablers



Kesimpulan

Berdasarkan laporan ekosistem di atas, nampaknya Indonesia masih belum dalam pusran negara dengan pangsa pasar yang kompetitif. Dengan demikian, diperlukan beberapa strategi untuk memperkuat ekosistem yang ada. Penguatan ini dapat berupa:

1. Penguatan Sumber Daya Manusia (SDM), meliputi SDM di tingkat akademisi (Dosen dan mahasiswa), SDM di pelaku industri keuangan Syariah, dan SDM di regulator. Hal ini diharapkan ada integrasi penyiapan dan penyaluran SDM yang berkualitas dan mendukung daya saing Indonesia.
2. Penguatan kebijakan pengembangan ekosistem berbasis data (penelitian). Pengembangan pusat-pusat penelitian di perguruan tinggi dengan sistem kluster. Kluster ini dapat mengacu pada sub-ekosistem Islam, seperti pusat halal, pusat keuangan Syariah. Pusat-pusat ini menjadi inkubator dalam perumusan kebijakan pemerintah kaitannya dengan penguatan dan pengembangan ekosistem islam.
3. Penguatan Legal, dan tata kelola. Hal ini dapat dilakukan dengan penguatan peran lembaga fatwa Indonesia dan regulasi kaitannya dalam pengembangan ekosistemnya. Adanya KNKS bisa menjadi koordinator dalam harmonisasi peran legal dan tata kelola penguatan ekosistem ini.
4. Penguatan Kolaborasi Internasional. Pengembangan ekosistem terkait erat dengan cross border transaction dan legal system serta mobilitas barang dan jasa. Dengan demikian, sinergi lintas negara akan memudahkan untuk menyelesaikan segala permasalahan dan akhirnya mampu bersama-sama mendorong market shares ekosistem terkait.

Akhirnya, upaya Indonesia menjadi Kiblat Baru ekosistem Islam dunia terbuka luas mengingat potensi baik SDM, industri, dan regulasi yang kondusif. Akan tetapi, peluang itu kurang bisa termaksimalkan bilamana masterplan berisi strategi pencapaian dan penguatan ekosistem belum matang. Adanya masterplan ini menjadi referensi semua pihak dalam bersama-sama mendukung secara *terdesign* dan terukur menjadi Kiblat Baru Ekosistem Islam Dunia.