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## MESSAGE FROM THE CEO OF ICD

Four decades ago, Islamic finance was a strange thought, but now it has emerged as a wonderful reality. It has become a vital and growing reality. It is indeed very beneficial as it is about applying a viable alternative to the conventional banking and finance industry, which lost trust due to successive crises.

Islamic finance remains concentrated primarily in some oil-exporting countries plus Malaysia and Iran, accounting for more than 80% of the industry assets, which reached more than \$2 trillion in 2016. The drop in oil price, the reduction of economic growth, and the policy responses being implemented in the form of spending cuts, have reduced the growth opportunities for the industry in 2017. We therefore expect banks in core markets to grow more slowly than in the recent past. The sukuk market has played a role as an alternative source for governments to close their funding gaps and maintain spending; ICD has helped their issuance in Senegal, Cote d'Ivoire, Togo and Jordan in a very innovative way putting apart the length and complexity of the sukuk issuance process which still deter some issuers from tapping the market.

We are optimistic that some opportunities could put the industry back on track for strong growth and continued globalisation. If we standardise the industry more, we could help Islamic finance not only to return to its strong growth trajectory, but also push for more innovation to arise. We also need to keep in mind that there is a natural connection between the principles of Islamic finance and some of the Sustainable Development Goals. Both want to achieve more responsible, equitable, and real economy-oriented financing.

ICD, as any player, could use several success stories in Islamic finance to leverage the experience of financial institutions and SMEs in their strategy to develop Islamic finance locally.

Islamic Corporation for the Development of the Private Sector (ICD) is a Member of the Islamic Development Bank Group