

OJK CONTINUES RAISING PENETRATION INTO ISLAMIC FINANCIAL SERVICES SECTOR Holds Islamic Finance Fair in Cirebon

Financial Services Authority, Cirebon, August 11, 2017. The Financial Services Authority (OJK) continues supporting development of national Islamic finance, especially in promoting the role of Islamic finance in economic sectors.

As part of its support to Islamic finance development, the OJK has launched a series of I love Islamic Finance (ACKS) campaign. Together with the Islamic finance industries, the OJK regularly implement one of its special programs called "*Keuangan Syariah Fair*" (KSF). The fair is held as an expo of the Islamic finance sector, in which three industries participate. They include: Islamic banking, Islamic capital market, and Islamic non-bank financial institutions.

The fair aims to raise public awareness, understanding and use of Islamic financial products. It seeks to increase the number of consumers/investors who take Islamic financial products and boost public comprehension on Islamic financial products and services.

Based on the 2016 OJK National Survey on Financial Literacy and Inclusion, the literacy rate on Islamic finance in Indonesia was far from optimal, only 8.11 percent, and the inclusion rate reached 11.06 percent. This meant only eight out of 100 people that understood about Islamic financial products and services and merely 11 out of 100 persons that could access products and services available from Islamic financial services companies. Therefore, it is essential to implement ongoing information dissemination and public education on Islamic financial products and services, which are increasingly diverse and offer considerable benefits to the public. In addition, it is also necessary to give the public wider access to the financial sector, in accordance with the government's financial literacy program.

Islamic finance has been increasingly instrumental in various economic sectors. Its presence is found, among others, in funding for state budget, private projects, and micro, small and medium-sized enterprises (UMKM). Moreover, Islamic finance has provided the national public with facilities for their financial management, investments, and protection against financial risks.

As of May 2017, data from the OJK showed that total assets of Indonesia's Islamic finance sector (excluding Islamic stocks) stood at IDR 992.80 trillion from Islamic banking, non-banking, and capital market industries that worth IDR 375.75 trillion, IDR 94.63 trillion and 522.42 trillion, respectively.

Assets of Indonesia's Islamic Financial Industries (in trillion Rupiahs)

Industries	2013	2014	2015	2016	May 2017
Islamic Banking	248.11	278.92	304.00	365.03	375.75
Islamic Insurance	16.66	22.36	26.52	33.24	36.28
Islamic Financing	24.64	31.67	22.35	35.74	37.99
Other Islamic Non-Bank Financial Institutions	8.25	12.25	16.03	19.69	20.36
Corporate Sukuk	7.55	7.12	9.90	11.88	14.31
Islamic Mutual Funds	9.43	11.16	11.02	14.91	18.08
Sovereign Sukuk	169.29	208.40	296.07	411.37	490.03

The KSF held at Cirebon Superblock Mall, Cirebon, from August 11 to 13, 2017, was the second of such fair that took place in 2017, following the first one in Semarang back in May 2017.

For the Cirebon KSF, 30 Islamic financial companies, which comprised 10 Islamic banks, 14 Islamic non-bank financial institutions, and six companies from the Islamic capital market industry, took part in the event. They were coordinated by two Islamic banks, CIMB Niaga Syariah and BJB Syariah. The fair had organized so many activities for visitors, including the launch of Islamic financial products, talk shows that aimed to educate and disseminate information to the public about Islamic financial products and services that presented speakers from the OJK and among Islamic financial services industry players, various competitions and entertainment. On top of that, the fair offered daily door prizes, including shopping vouchers, precious metals, smartphones and a grand prize of a motorcycle. The grand prize would be presented on the last day for a lucky visitor who performed transactions at Cirebon KSF stands.

For more information:

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