

PRESS RELEASE

OJK PARTNERS WITH MUHAMMADIYAH AND MALANG MUHAMMADIYAH UNIVERSITY

Malang, April 18, 2017 — The Financial Services Authority (OJK) is going to continue developing programs on Sharia finance, financial literacy and protection for consumers in the financial services sector, by collaborating with Persyarikatan Muhammadiyah and Malang Muhammadiyah University (UMM).

For their collaboration, OJK Chairman Muliaman D Hadad and Muhammadiyah Central Executive Board Chairman Haedar Nashir, representing their respective organizations, signed a memorandum of understanding (MOU).

The OJK, represented by its chairman Muliaman D Hadad, also signed another MOU with Malang Muhammadiyah University (UMM), which was represented by its rector named Fauzan.

The signing of both MOUs took place at UMM campus on Tuesday (Apr. 18).

The subjects covered by the scope of both MOUs include joint research or assistance for research on development of Sharia finance—in relation to activities in the financial services sector. These subjects were chosen to synchronize perception and direction of Sharia finance development in the financial services sector and increase public participation in the sector's Sharia-based activities.

In addition, these organizations are considering an idea to jointly provide education on Sharia-based financial services for their staff or the general population in order to raise their awareness.

To raise financial literacy rate, these organizations will disseminate oral and written information, design educational curriculums that include material about activities in the financial services sector, and provide technical assistance to facilitate educational institutions.

They have also planned to make efforts dedicated to the public, including thematic national study service schemes on financial literacy and consumer protection, and setting up an OJK booth at UMM campus.

Muliaman was optimistic that the Sharia financial industry would keep growing as Indonesia was a huge potential market for the industry.

“I really hope that 2017 will give growth momentum to Sharia finance, in line with domestic economy's solid development amid dynamic global situation,” he said.

He went on by saying that Sharia economy's revival phenomena had been conspicuous lately in Indonesia, such as higher needs for halal food, Muslim clothing, cosmetics, medicine, residential complex, and the thriving Sharia tourism.

These phenomena are in line with the rising middle-class Muslim population in Indonesia. Their economic capacity is getting stronger, and this is followed by more religious attitude, which has led to demands for Sharia-qualified products and services.

“The phenomena, plus the fact that we are the biggest Muslim country in the world, where middle-class Muslim population keeps growing, have made us believe that Indonesia will become a huge market where Sharia economy and finance sector will thrive,” Muliaman said.

He explained that the role of the Sharia financial services sector should be optimized further so it would contribute more to the economy, by opening financial access for the public, providing financial products and services that responded to their needs, and increasing contribution to long-term financing for infrastructure projects, et cetera.

For more information:

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