

## **PRESS RELEASE**

### **OJK URGES SCHOLARS TO DEVELOP SHARIA FINANCIAL INDUSTRY**

#### **Holds 15<sup>th</sup> Forum for Sharia Economic and Financial Research (FREKS) at Mataram University, September 6-8, 2016**

---

**Financial Services Authority, Mataram, September 6, 2016:** The Financial Services Authority (OJK) emphasizes the importance of research support and scholars' involvement in developing the sharia financial industry amid tougher competition among financial services industries.

Support from quality research is essential, towards a faster-growing, sustainable and competitive sharia financial industry, so it can play a role in, and give more optimal contribution to the national economy.

Thus, the OJK has cooperated with the Islamic Economic Experts Association (IAEI) and Mataram University, which has been appointed as the host university, and as a result, they have initiated to hold the 15<sup>th</sup> Forum for Sharia Economic and Financial Research (FREKS). The event runs from September 6 to September 8, 2016, at Mataram University Campus, West Nusa Tenggara, and this year's theme is "Promoting Sharia Finance's Unique Features amid Tougher Competition among Financial Services Industries."

As of June 2016, the sharia banking sector has had a total of IDR 306.23 trillion in assets and the sector consists of 12 Sharia banks (BUS), 22 Sharia business units (UUS) and 165 Sharia people credit banks (BPRS). The total assets rose by 11.97 percent year-on-year. The industry has managed 18.31 millions of people's accounts, through approximately 2,557 branch offices across Indonesia.

In the sharia capital market sector, as of July 2016, the data showed that there has been a total of 325 Sharia stocks, which make up 61.21 percent of all stocks in the capital market, with the capitalization value of IDR 3,172.19 trillion (based on the Indonesia Sharia Stock Index). The current outstanding value of 47 corporate sukuk stood at IDR 10.76 trillion, equal to 3.97 percent of total outstanding value of all corporate sukuk and bonds. Further, there are 109 Sharia mutual funds with total net asset value of IDR 9.93 trillion, which represents 3.23 percent of total net asset value of all mutual funds.

In the Sharia non-bank financial industry, as of June 2016, there have been 121 Sharia-based companies, which include 56 Sharia insurance or Sharia reinsurance companies, 40 Sharia financing institutions, 7 Sharia venture capital firms, 6 Sharia financial services institutions and 12 Sharia micro-finance institutions.

In term of assets, the Sharia non-bank financial industry has managed a total of IDR 78.04 trillion in assets, with IDR 30.61 trillion came from the Sharia insurance and reinsurance sector, IDR 29 trillion from the Sharia financing sector, IDR 1.1 trillion from the Sharia venture capital sector, IDR 17.3 trillion

from the Sharia financial services institutions and IDR 60 billion from the Sharia micro-finance sector.

Member of the OJK's Board of Commissioners, Nelson Tampubolon, National Development Planning Board head Bambang Brodjonegoro, in his capacity as IAEI Chairman, and West Nusa Tenggara Governor Muhammad Zainul Majdi, attended the Forum.

The 15<sup>th</sup> FREKS has five agenda, as follows:

- 1) *Prominent Scholar Lecture on Islamic Finance*, to be presented by Prof. Dr. Mohamad Akram Laldin, Executive Director of Malaysia's International Shari'ah Research Academy for Islamic Finance (ISRA);
- 2) A Common Forum to be attended by representatives of universities that have Sharia Economy and Finance study programs/faculties;
- 3) Presentation of Call for Paper finalists;
- 4) Presentation of the invited research papers;
- 5) A Workshop by the Fellowship Forum for Islamic Economic Studies (FoSSEI)

The 15<sup>th</sup> FREKS started with a Call for Paper competition and following its conclusion, it received 182 papers. Reviewers and a panel of judges then selected the best eight papers, which comprised six papers by junior researchers and two papers by mid-level researchers. The selected participants would present their papers before the panel of judges and the winner would be announced on Wednesday, September 7, 2016.

Also, the OJK has partnered with the Mataram Economics Teacher Professional Development Network to implement one of the 15<sup>th</sup> FREKS activities, namely the Sharia Banking Workshop for Teachers/Educators of Senior High Schools/Equivalent in Mataram.

The workshop, which will be conducted on September 8, 2016, at Golden Palace Hotel, represents one of the OJK's efforts to develop educators' quality and competence in sharia economy and banking fields. It is expected to be attended by around 100 participants.

\*\*\*

For more information, please contact:

Deden Firman Hendarsyah

Director of Research, Development, Regulation, and Licensing  
for Sharia Banking Sector

Phone: 62 21 2960 0000 Email: [deden@ojk.go.id](mailto:deden@ojk.go.id) [www.ojk.go.id](http://www.ojk.go.id)