

Njuguna Ndung'u: Essential groundwork for competing effectively in the Islamic banking environment

Remarks by Prof Njuguna Ndung'u, Governor of the Central Bank of Kenya, at the launch of the Regional Certificate in Participatory/Islamic Banking, Kenya School of Monetary Studies, Nairobi, 25 February 2014.

* * *

Distinguished Guests;

Ladies and Gentlemen:

1. It gives me great pleasure to be here today to officially welcome all of you to the launch of the Regional Certificate in Participatory/Islamic Banking Programme conducted by the Kenya School of Monetary Studies in collaboration with the International Center for Education in Islamic Finance (INCEIF). INCEIF is the only educational institution in the world devoted to Islamic Finance. On behalf of the Central Bank of Kenya, let me extend a very warm welcome to all the organizations represented here today.

2. The School has established a collaborative partnership with INCEIF to offer the exclusive certificate targeting members of staff at Executive level in bank and non bank financial institutions offering lending services. In this collaborative arrangement, KSMS is leveraging the expertise INCEIF has developed over the years in delivering a globally recognized certificate in Islamic Banking.

Further, it is important to note that the launch of the INCEIF Program we are having here today is a culmination of concerted efforts by Kenya School of Monetary Studies in developing solutions to problems faced by the region that are practical and relevant.

3. ***Ladies and Gentlemen:*** This program is designed to develop human capital in Participatory/Islamic Banking in the COMESA region. It is structured to provide an introduction of basic Islamic Principles governing financial transactions in order to establish a good foundation for the understanding of key operations in Participatory/Islamic Banking. The program will change the Islamic Finance Training landscape and enhance financial inclusion since the focus is definitely now on Africa and particularly Sub-Saharan Africa where consumer awareness of non interest banking or Participatory/Islamic Banking is growing and the demand for this across bank customers.

4. As Kenya and the region at large becomes an increasingly attractive destination for investments, the onus is on you, the financial industry players and financial institutions to tap into this tremendous potential in the area of Islamic Banking. As you know, with growth comes opportunities; with opportunities, demand for engaging qualified personnel and developing training capacity for the drivers of the industry in technical and operational areas of handling and managing Participatory/Islamic Banking based products for the benefit of the institutions and the market. I call on all of you to support such training initiatives by the School.

5. ***Ladies and Gentlemen:*** The program lays the essential groundwork for competing effectively in the Islamic Banking environment and explores the business opportunities and challenges of the field. We are delighted to be offering this new program in Regional Certificate in Participatory/Islamic Banking which is fast becoming an attractive field in the global finance industry. Globally, the Islamic finance market is growing. Islamic finance investments are now worth \$1.6 trillion and are forecast to increase to \$2.5 trillion by 2015.

6. In Kenya we are committed to Islamic banking framework for conducting financial transactions. We feel there is no better time to offer a course that will cover not just the conceptual apparatus, but the various opportunities and challenges that face Islamic finance, whose growth shows no signs of abating.

7. **Ladies and Gentlemen:** The primary objective of the Regional Certificate in Participatory/Islamic Banking program is to build the knowledge and human resource skills base that enhances competency of personnel serving in this sector. The benefits of attending this course include among others:-

- Giving participants an all-round understanding of the documentary and structural issues involved in Islamic Banking.
- The course will be resourced by top quality trainers of reputable professional standing.
- The participants will be availed with highly researched reference text and training materials.

8. With these few remarks, **ladies and gentlemen**, it is now my honour and pleasure to launch the Regional Certificate in Participatory/Islamic Banking Program. I wish all of you success as you commence the learning process.

Thank You and God bless you all