

**MEETING OF CENTRAL BANKS AND MONETARY AUTHORITIES
OF THE ORGANISATION OF ISLAMIC COOPERATION (OIC)
MEMBER COUNTRIES**

“Central Banking and Financial Sector Development”

16 November 2011, Kuala Lumpur, Malaysia

FINAL COMMUNIQUÉ

1. We, the Governors and Heads of delegations, met at a time when uncertainties in the global economy continue to pose significant challenges to Central Banks and Governments. The global financial crisis has highlighted that weaknesses in the financial sector and fiscal policies could have destabilising effects and negative consequences on the real economy. This has reinforced the importance of an effective functioning financial sector in supporting sound and sustainable economic development. We also agree on the need for increased efforts to mitigate the destabilising consequences of these developments on our respective economies.
2. We acknowledge that the financial sector has an essential role to efficiently intermediate funds towards productive economic activities and generating sustainable and balanced growth. A well-developed financial sector can improve standards of living, create high value employment, and drive the economic transformation process.
3. We appreciate that whilst individual economies are unique, there are essential building-blocks to build a diversified, progressive and inclusive financial sector including exploring the role of Islamic finance in achieving these objectives. We discussed the importance of building strong financial institutions to serve the economy, having the necessary financial infrastructure supported and balanced by a strong regulatory and supervisory framework, including macro and micro-prudential framework, to safeguard financial stability. We also recognise the need to create an inclusive financial sector towards achieving balanced economic growth and greater shared prosperity.

4. We acknowledge that Central Banks in collaboration with the relevant Government agencies should play a critical role in facilitating a nation's developmental agenda towards achieving sustainable and non inflationary economic growth. It is imperative for Central Banks to continuously undertake transformation and modernisation in enhancing organisational capacity and governance to effectively perform our mandate.

5. Moving forward, we can expect emerging economies to continue to contribute towards driving global economic recovery and growth. The potential role of Islamic finance in supporting this endeavour should be given special attention. In this regard, we reaffirm our commitment to strengthen collaboration in capitalising our growth potential. We hereby affirm that we will leverage on our individual strengths and cooperate in building our capacities, including the training programmes organised by SESRIC for Central Banks of the OIC member countries.

6. We thank Malaysia and SESRIC for organising the Meeting of Central Banks and Monetary Authorities of the OIC member countries, and we welcome the offer of the Republic of Turkey to host the 2012 meeting, and Saudi Arabia and Indonesia to host the meeting in 2013 and 2014, respectively.