

Headline	Ar Rahnu can be expanded into an important Islamic financial service regionally		
MediaTitle	Borneo Post (Kuching)		
Date	23 Nov 2011	Color	Black/white
Section	Business	Circulation	88,150
Page No	B10	Readership	166,173
Language	English	ArticleSize	179 cm ²
Journalist	N/A	AdValue	RM 1,031
Frequency	Daily	PR Value	RM 3,092



‘Ar Rahnu can be expanded into an important Islamic financial service regionally’

LANGKAWI: The business of Ar Rahnu or pawn services based on syariah principles, can be expanded into an important Islamic financial service in the region.

Making this call, director of Centre for Graduate Studies, Universiti Tun Abdul Razak (UniRazak), Prof Dr Barjoyai Bardai, said for the plan to become a reality, the scope of Ar Rahnu services should expand to cover all levels of the society.

“Four groups of targets, namely the lower income group, youths, micro business traders and major businesses — all would have to be given attention in the expansion of Ar Rahnu service as an Islamic financial service institute,” he said yesterday.

Barjoyai was among the presenters of working papers at a workshop here yesterday on innovations in Ar Rahnu.

The event was organised by YaPEIM, a foundation for the development of Islamic economy in Malaysia.

Structural and practical changes would have to be made in the methods of services to ensure the success of such an expansion, Barjoyai said.

“Ar Rahnu services would have to be promoted as a community based service seen as a convenient public facility for the liquidation of assets to tide over a short term cash money

requirement or in the event of an emergency.

“This would require the promotion of Ar Rahnu’s image as a community service for everyone and not just for the poor or desperate.

“Basically, customers would have to be given the portrayal that the service is part of life-style.”

Barjoyai said Ar Rahnu could also act as a financial institute for working capital for micro traders.

“If Ar Rahnu institutes are able to accept land grants and house grants, deposit inventory receipts, listed blue chip shares, intellectual properties, receipts of gold investments in banks, and sales invoices to government bodies and government linked companies as collateral, they would increasingly become the choice for micro and macro businesses, as all this while the amount of loans given were small and the pawned items were limited to gold,” he said.

The two-day workshop which took off on November 21 saw 300 participants including representatives from the regional Ar Rahnu secretariat from Malaysia, Indonesia, Thailand, Brunei, Thailand, Cambodia and Timor Leste.

They had gathered to share their views and strategies to further beef up the Ar Rahnu micro credit programmes in the region. – Bernama