Tabung Haji a success story in social innovation

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CLASS INVESTMENT ENTITY: The fund managers can be another potential platform for Malaysian Muslims to tap global business opportunities

BACK in the 1950s and 1960s, only the wealthy could afford to go for haj. The less rich could only dream. Though not compulsory for those who could not afford, all Muslims would yearn to have the opportunity to visit the holy sites of Mecca and Madinah at least once in their lifetime. Those days, the rich would normally sell their property to pay for the trip.

Some sold houses while others would sell livestock to cover the costs of the haj. There were some who were known to have sold everything they had to make the pilgrimage.

It is different now. Tabung Haji has changed all that. Now everyone who is willing to put aside savings in Tabung Haji can eventually make the trip.

If AirAsia can make "Now Everyone Can Fly" a reality, Tabung Haji can claim to have made "Now Every Muslim Can Perform The Haj" also a possibility.

Those who follow the Tabung Haji story know that the brilliant idea to create it came from the nation’s illustrious economist, the iconic Royal Professor Ungku Abdul Aziz.

The idea may sound like common sense nowadays. But not back then. This is the reason why we should encourage avenues for generating new ideas among all Malaysians, especially the young.
They should be taught the ideation process so that innovation will eventually become a common phenomenon.

This year, Tabung Haji celebrates 50 years of existence. Though there were many trials and tribulations over those years, Tabung Haji has now emerged as a credible and successful fund management organisation.

It has become the envy of many other Muslim countries. Ungku Aziz should be proud of the fact that his original concept has now germinated into a world-class investment entity which many other Islamic countries would want to emulate.

Depositors are also motivated to save more by the generous returns gained from their savings.

This is all made possible by the judicious choice of investments guided by Tabung Haji's investment panel.

Its investment in oil palm plantations must surely count as one of those that give attractive returns. In fact, nowadays, any investment in palm oil can almost guarantee lucrative returns.

Though the price of palm oil does fluctuate, the long-term trend is that it will remain profitable.

This is because palm oil is the most competitive in the global oils and fats market. And the growing world population will continue to demand more of it as food because palm oil also offers functional advantages over competing oils.

It has been reported that Tabung Haji now produces slightly over 700,000 tonnes a year of palm oil. It should aim to expand more. And it should also give serious consideration to venture into higher value downstream products from oil palm.

In fact, among Muslims in many countries, the name Tabung Haji has become a respected halal brand. It should capitalise on this positive brand image.

It should give serious thoughts to strategise entry into the expanding global halal market.

It can start with halal products based on palm oil. And there is no reason why it should not also consider venturing into halal pharmaceuticals, especially vaccines. Vaccination is compulsory for the pilgrimage. It should be opportune to now look at the new emerging halal vaccine production technologies based on plants.

Tabung Haji has certainly come a long way since it was first established 50 years ago. In fact, it has become so successful that nowadays people have to queue to perform the haj.

The number of people wanting to perform the pilgrimage has literally swelled. And many are from the younger generation unlike the situation in the early years when performing the haj was only confined to retirees and those older. Thanks to the excellent management of the fund, Tabung Haji can now count as a success story in social innovation.

Moving forward, it is time for Tabung Haji to seriously consider venturing on a global scale. Tabung Haji can be another potential platform for Malaysia’s Muslim ummah to tap on the global business opportunities available. It is not impossible!

Writer is a deputy vice-chancellor, INTI Laureate International University
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