REPORT

Webinar :

The Global Economy in Transition: Risks and Opportunities

Date: 18 August 2026 (Tuesday)

Venue: Youtube Live

Organized by: Asia Middle East Center for Research and Dialogue (AMEC)and Islamic Economic Week 2026

Number of Attendees: 154 viewers


ISLAMIC
AMEC
LIVE WEBINAR
THE GLOBAL ECONOMY IN TRANSITION:
RISKS & OPPORTUNITIES
This webinar will explore the current state of economic growth in the Muslim world by examining its main drivers, including energy, Islamic finance, the halal economy, tourism, and digital transformation. It will also address the key challenges facing these economies, such as dependence on natural resources, geopolitical uncertainty, technological transformation, and the need for more sustainable and inclusive growth.
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Executive Summary

The Global Economy in Transition

The recent webinar hosted by the Asia Middle East Center for Research and Dialogue (AMEC) and Islamic Economic Week 2026 explored the structural transformation of the international market. The core consensus among the speakers is that the global economy is shifting from a unipolar, efficiency-driven model to a multipolar order where security, geopolitics, and technological governance dictate trade.

To navigate this new era, emerging markets must prioritize strategic autonomy, cross-regional co-production, and digital resilience over traditional, transactional trade.

Core Economic & Geopolitical Shifts

1. **Geopolitics Reshaping Trade:** Global trade is increasingly dictated by foreign policy, sanctions, and national security rather than simple market demand and logistics.
2. **The Rise of "Hidden Borders":** Traditional tariffs are being replaced by strict non-tariff barriers, meaning market access now heavily depends on proving compliance with digital, environmental, and labor standards (e.g., carbon measurements).
3. **Strategic Autonomy:** To survive a fragmented global order, developing nations and regional blocs (like ASEAN and the GCC) must build sufficient capacity to exercise their own choices rather than aligning strictly with competing superpowers.

Strategic Pathways for Emerging Markets

1. **From Trade to Co-Production:** The economic relationship between the Middle East and Asia must evolve beyond simple product exchange; it should focus on joint investments where Gulf capital meets Asian manufacturing and tech expertise.
2. **Sovereign Co-Investment Platforms:** Sovereign funds should be utilized to

build permanent, cross-border platforms focusing on shared assets in food security, halal value chains, and renewable energy, moving away from isolated project deals.

3. **Five-Layer Supply Chain Resilience:** True resilience is diversification, not self-sufficiency. Governments and businesses must adopt a five-layer architecture: visibility, optionality, buffers, adaptation, and scale alignment.

The Role of Technology and Islamic Finance

1. **Ethical Digital Governance:** A trusted digital economy requires secure public infrastructure, accountable AI frameworks, institutional capacity, and broad-based public participation to prevent technological isolation.
2. **Integrating Islamic Social Finance:** Islamic social finance must be embedded directly into the real economy to provide immediate, accessible support to vulnerable populations during geopolitical or economic crises.
3. **Intellectual Leadership:** The Global South possesses immense human and financial capital, but it requires intellectual leadership to actively shape the new global economic architecture rather than merely reacting to it.

Key Themes and Objectives

Navigating the New Economy: Global Trade, Supply Chains, and the Future of International Markets

Objectives:

- To critically analyze the current global economic situation and its direct impact on emerging and established markets.
- To explore the evolving realities of global trade policies and foster stronger economic ties between Asia and the Middle East.
- To identify strategic solutions for building resilient global supply chains amidst geopolitical shifts.

Introduction

In a time of economic uncertainty, marked by shifting trade routes, inflationary pressures, geopolitical tensions, and the reorganization of global supply chains, understanding trade dynamics has become more important than ever. This is especially true from the perspective of the Global South, where emerging markets are not only adapting to global change but also shaping it. In this context, Asia and the Middle East stand out as key regions whose economic influence continues to grow across trade, investment, and innovation.

The Muslim world is home to some of the fastest-growing economies and most dynamic markets, representing more than 1.9 billion people across diverse regions. From Southeast Asia to the Middle East and Africa, Muslim-majority countries are playing an increasingly important role in global trade, investment, innovation, and sustainable development.

This webinar will explore the current state of economic growth in the Muslim world by examining its main drivers, including energy, Islamic finance, the halal economy, tourism, and digital transformation. It will also address the key challenges facing these economies, such as dependence on natural resources, geopolitical uncertainty, technological transformation, and the need for more sustainable and inclusive growth.

Conference Highlights

OPENING REMARKS: MUAD ZAKI, AMEC'S FELLOW

Assalamualaikum. Good morning, and again on behalf of the Asia Middle East Center, it is my pleasure to start this off for us to understand the global economy which is currently in transition. Before we look at individual sectors, opportunities, or possible solutions, I believe it is important that we first recognize the environment in which all of these discussions are taking place.

The global economy today cannot be understood through economics only. Increasingly, business, trade, investment, and technology are being shaped by politics. For decades, companies looked at international markets based mainly on price, demand, logistics, and commercial opportunity. Today that is no longer enough. Businesses are increasingly in need of understanding foreign policy, geopolitical relationships, tariffs, sanctions, technology restrictions, investment rules, and political risks. Whether businesses like this reality or not, politics has become part of the commercial environment.

One major reason is the return of stronger protectionist economic policies. Major economies are placing greater emphasis on protecting domestic industries, strengthening national production, securing strategic technologies, and reducing dependence on countries they may consider competitors. The United States has played a particularly important role in accelerating this trend, while other countries are increasingly responding with policies of their own. This is not simply about criticizing one country; every major power naturally seeks to protect its national interests. But when the largest economies move in this direction, the effects are felt far beyond their own borders. A political disagreement between major powers can affect businesses in Malaysia, manufacturers in the Middle East, exporters in Africa, and eventually the prices paid by ordinary consumers.

This transition does not affect every country equally. Countries are entering this period from very different starting positions. Some have strong economies, advanced industries, natural resources, infrastructure, and access to capital. At the same time, others are more dependent on imports, limited export markets, *or a small number of commodities. When we speak about global economic growth, the more important question is not simply whether the global economy is growing. The question is who is benefiting from this growth and who is becoming more vulnerable as the international environment changes.*

This is particularly important when we look at the wider Muslim world. Muslim-majority countries are extremely diverse, with different political systems, levels of development, natural resources, security arrangements, and domestic priorities. What may be correct as an economic or foreign policy decision in one country may not be possible for another.

We are also living through a period where long-term stability can no longer be taken for granted. Political tensions, conflict, trade restrictions, or problems along important transport routes can disrupt businesses overnight. The challenge is not only to predict the next crisis, but to make sure our governments, institutions, and businesses can adjust quickly when something unexpected happens. At the same time, we face rapid technological disruption through artificial intelligence and digital technologies.

Finally, how do we define economic success? A country may record strong GDP growth while ordinary people still continue struggling with unemployment, low wages, high living costs, and limited opportunity. Growth and prosperity are not always the same. For a discussion taking place within Islamic Economic Week, this is particularly important. Justice, fairness, responsibility, and human dignity should not remain theoretical principles; they should be visible in economic outcomes and benefit everyone in society. Our first responsibility is to understand the situation clearly enough to ask the right questions because the global economy is already in transition.

SUMMARY:

Muad Zaki opened the session by explaining that the global economic transition is increasingly driven by geopolitical factors—such as foreign policy, tariffs, and sanctions—rather than traditional market logistics. He emphasized that true economic success must encompass fairness, justice, and human dignity rather than focusing exclusively on GDP growth.

KEYNOTE ADDRESS: TAN SRI SYED HAMID ALBAR, FORMER MINISTER (MALAYSIA) & AMEC'S HONORARY ADVISOR

Bismillahir Rahmanir Rahim. Assalamualaikum Warahmatullahi Wabarakatuh and a very good morning.

I would like to extend my deepest appreciation to the Asia Middle East Center for Research and Dialogue (AMEC) and the World Islamic Economy Week 2026 for inviting me to deliver this keynote address. I also wish to thank Br. Muad Zaki for his opening remarks, and I look forward to the insights that our distinguished panelists will share later this morning.

To the policymakers, diplomats, academics, civil society leaders, and members of the media joining us virtually today: welcome.

We gather today during a period of profound economic uncertainty. The global landscape is currently defined by inflationary pressures, escalating geopolitical tensions, shifting trade routes, and a fundamental reorganization of global supply chains. For many years, the narrative has been that emerging markets simply adapt to these global changes. However, today, the Global South—particularly Asia and the Middle East—is actively shaping the new economic order.

The Muslim world, representing over 1.9 billion people across diverse regions from Southeast Asia to the Middle East and Africa, is home to some of the fastest-growing economies and most dynamic markets on the globe. Our nations are no longer just participants in the global economy; we are increasingly vital players in global trade, investment, innovation, and sustainable development.

As we navigate this transition, we must critically analyze both the risks and the opportunities before us.

First, we must address our vulnerabilities. Historically, many of our economies have relied heavily on natural resources. This dependence, coupled with external vulnerabilities and geopolitical pressures, poses a persistent structural constraint on our growth. We are witnessing firsthand how geopolitical *uncertainty in one region can disrupt trade routes and supply chains globally. To build resilience, governments and businesses must pivot toward more sustainable and inclusive growth models.*

Second, we must harness the drivers of modern economic growth. The opportunities for our markets are vast. The current state of economic growth in the Muslim world is being propelled by several key drivers:

1. ***The Halal Economy:*** *This sector offers concrete and promising opportunities to strengthen our position in global trade. However, we must proactively address challenges such as market fragmentation, standards and certification, and technological adaptation to fully realize its potential.*
2. ***Islamic Finance:*** *Targeted partnerships and Islamic social finance mechanisms can play a foundational role in supporting sustainable infrastructure and trade resilience.*
3. ***Digital Transformation and AI:*** *The disruptive impact of artificial intelligence and digital technologies is fundamentally altering trade patterns and supply chains. The preparedness of our governments and businesses to adopt these technologies will dictate our future competitiveness.*

Finally, we must forge stronger regional ties. The evolving realities of global trade policies require us to build stronger economic bridges between Asia and the Middle East. By fostering robust bilateral and multilateral cooperation, we can identify strategic solutions to insulate our supply chains from external shocks.

As I conclude, I leave you with this thought: navigating the new economy requires us to move beyond individual national interests and look toward collective, cross-regional resilience. Fostering dialogue and collaboration across regions is not just an option; it is essential to addressing our shared economic challenges.

I am confident that today's panel discussion—featuring Dr. Ashurov Sharofiddin, and Dr Hurriyah El Islamy,—will provide you with practical opportunities and pathways forward.

Thank you, and I wish you a highly productive and insightful webinar. Wabillahi Taufiq Wal Hidayah, Wassalamualaikum Warahmatullahi Wabarakatuh.

SUMMARY:

Tan Sri Syed Hamid Albar delivered the keynote address, observing that global power is dispersing toward Asia and the Global South as the world searches for a new equilibrium. He urged the Muslim world to shift from exporting natural resources to becoming creators of knowledge and value. Furthermore, he advocated for preserving strategic diversity and building cross-regional resilience instead of taking sides or decoupling.

<u>Panel Session: Shaping the New Economic Order</u>

Presentation by Assoc. Prof. Dr. Sharofiddin Ashurov

Thank you very much, brother. A very good morning to everyone. Distinguished speakers, respected colleagues, industry leaders, researchers, professionals, and participants joining us from different parts of the world.

I would like to start with one simple proposition: the global economy is not merely experiencing another period of uncertainty; we are witnessing a structural transformation in how the world trades, produces, invests, finances, and manages economic risks. If the global economy were a ship today, we are not facing temporary rough seas; we are sailing into a completely new ocean. Geopolitical tension, trade fragmentation, supply chain disruptions, AI, digitalization, climate risk, and changing investment platforms have led us to rethink what to produce, how to trade, and with whom.

The new economy is not about ending globalization; it is about building a more resilient form of globalization—remaining connected without becoming dangerously dependent. For example, the COVID-19 pandemic and the 2021 Suez Canal blockage taught us that the cheapest supply chain is not necessarily the safest. The solution is not to stop global trade or produce everything domestically, but to build alternatives and backup options.

When we look at the global trade policy today, businesses increasingly face 'hidden borders'. It is no longer just about tariffs. Even if a tariff is close to zero, a company may be excluded from a market if it cannot demonstrate where its inputs come from, its carbon footprint, or its regulatory compliance. Standards are becoming part of the border itself.

To move forward, the relationship between Asia and the Middle East must evolve from complementary trade to 'co-production'. It is no longer about how much we trade, but how much productive capacity we build together. Gulf investors can provide long-term capital for renewable energy and food security technology in Asia, while Asian companies can bring manufacturing expertise and capabilities into Gulf economies. In this case, both sides create value rather than simply exchanging products.

To ensure resilient supply chains, we must embrace a five-layer architecture:

1. ***Visibility:*** *Know your entire supply chain, including sub-tier dependencies.*
2. ***Optionality*****:** *Always have a pre-qualified alternative if one supplier fails.*
3. ***Buffers****: Maintain critical reserves and buy time for essential products.*
4. ***Adaptation****: Be ready to change and adapt to new regulations immediately.*
5. ***Alignment****: Governments and businesses must coordinate and act together during crises.*

Resilience does not mean self-sufficiency; it means diversification. The objective is not to eliminate global supply chains but to remove dangerous single points of failure.

SUMMARY:

Navigating New Trade Realities:

1. Assoc. Prof. Dr. Sharofiddin Ashurov described the global economic restructuring as navigating a "new ocean," where traditional trade barriers are being replaced by "hidden borders" like environmental, digital, and regulatory compliance.
2. He proposed shifting away from simple regional product exchanges toward collaborative "co-production" frameworks between Asia and the Middle East.
3. To combat modern supply chain disruptions, he introduced a five-layer resilience architecture: visibility, optionality, buffers, adaptation, and scale alignment.

Presentation by Dr. Huriyyah El-Islamy

Thank you very much, brother Faeeq. First, we need to see sovereign funds not simply as pools of capital but as instruments for building long-term economic relationships. The real opportunity for emerging markets is to use sovereign capital and cross-border investment partnerships to move from occasional transactions to shared economic interests, jointly owned assets, and connected value chains between Asia and the Middle East.

I suggest three priorities here. First, we need to establish permanent sovereign co-investment platforms. Too often, investment follows a project-by-project approach where a transaction is completed and the strategic relationship remains shallow. A co-investment platform creates a standing mechanism where sovereign funds, development finance institutions, and private investors can prepare projects together, share risks, and mobilize capital at scale.

Second, investment should be directed toward cross-border value chains, not merely isolated assets. Asia brings manufacturing capability and growing markets, while the Middle East brings patient capital and a strong drive for diversification. In food security, this means jointly investing in productivity, processing, shipping, and market access. Both regions should have equity, capability, and a long-term stake in the success of the partnership.

Third, we must build the financial and governance architecture that allows this relationship to function. Economic integration must include trade finance guarantees, insurance, Takaful capacity, reliable payment arrangements, and trusted cross-border data systems, especially for SMEs.

Regarding digital transformation, governments need an integrated architecture built on four foundations:

1. ***Trusted digital public infrastructure:*** *Secure digital identity, interoperable payments, and electronic trade documentation.*
2. ***Responsible data and AI governance:*** *Clear rules on privacy, cybersecurity, and algorithmic accountability.*
3. ***Institutional capacity and coordination:*** *Effective regulatory supervision and public procurement standards.*

4. ***Broad-based capacity and participation:*** *Investment in digital skills, local talent, and support for SMEs to ensure inclusive value creation.*

Finally, social value is not an optional addition; it is part of the DNA of Islamic finance. By integrating Islamic social finance into the real economy, we can provide immediate financial support during crises. Maqasid al-Shariah provides the ethical compass for this architecture, reminding us that economic progress must protect dignity, intellect, wealth, and social well-being.

SUMMARY:

Co-Investment & Digital Governance:

1. Dr. Huriyyah El-Islamy recommended utilizing sovereign funds to establish permanent co-investment platforms to build long-term economic relationships—focusing on renewable energy, food security, and halal value chains—rather than pursuing isolated project deals
2. She outlined four essential foundations for digital transformation: trusted digital public infrastructure, responsible AI governance, institutional capacity, and broad-based digital participation.
3. She also highlighted the necessity of embedding Islamic social finance into the real economy to provide immediate support to vulnerable populations during crises.

CLOSING REMARKS: **DR. MUSLIM IMRAN, AMEC'S DIRECTOR**

Thank you very much, Andrea. And everyone, assalamualaikum and a very good morning. Thank you everyone for your efforts to make this webinar a success.

The discussion today centered around a very important idea: transition. The global economic order that we have operated in over the last few decades is in a state of transition. We often misread what's happening when we look at the global economy; we talk about crises like trade wars, supply chain disruptions, inflation, and geopolitical tension. But these different crises should open our eyes to a bigger problem, which is the change in the distribution of global power.

For many decades, the dominant logic of globalization was efficiency. Today, with crises in West Asia and Ukraine, security has become the key word. It is certainly competing with efficiency, and countries are not only asking where it is cheaper to do trade, but where it is safe, and who we should trust. This is fundamentally changing our understanding of economic interdependence.

In this particular area lies Asia, the Middle East, and the larger Muslim world's core concern. There are challenges, but there are also opportunities. The Global South has geography, markets, capital, energy, and a young, connected population. But resources alone do not automatically produce power; power comes when resources are connected through institutions, technology, finance, and above all, a strategic vision.

The emerging global order is probably more pluralistic than the one that existed before. The Global South is demanding greater strategic autonomy. ASEAN is asserting its centrality, the GCC is becoming an increasingly important center of power, and institutions like BRICS are testing alternative forms of cooperation. For a country like Malaysia, the question is not which side to choose—China, the US, East, or West—but rather how to build enough capacity so that you have the freedom to choose.

Since this transition is taking place and underway, we have to keep questioning this reality. We have to keep talking to people in power to empower our *societies. The Muslim world and the Global South have capital and resources, but lack ideas to some extent. This is where our role as intellectuals should be focused. Thank you very much for your presentations today.*

SUMMARY:

Strategic Autonomy for the Global South:

1. Dr. Muslim Imran (AMEC's Director) concluded the webinar by noting that security has become a competing priority with traditional economic efficiency, fundamentally altering global interdependence.
2. He stressed that regions like ASEAN and the GCC must build sufficient capacity to exercise strategic autonomy, giving them the freedom to choose among global powers rather than being forced to align.
3. He called for greater intellectual leadership to successfully translate the region's human and financial capital into real influence within the new global architecture.

Webinar Conclusion

The Global South possesses immense human and financial resources, but it urgently requires strong intellectual leadership to actively shape the new economic architecture. Ultimately, success in this new era will be determined by investments in human capability, knowledge, and institutional resilience.

YouTube video: The Global Economy in Transition Risk and Opportunities

Speakers’ Info

	**Muad Zaki** **Opening Remarks |** AMEC Fellow Muad M. Zaki is the Co-Founder of the World Trade Chamber Malaysia (WTCM). He provides strategic direction for international engagement, geopolitical research initiatives, and policy-informed frameworks. His work heavily focuses on supporting and advancing Malaysia’s strategic position within a rapidly evolving global economic landscape.
	**Tan Sri Syed Hamid Albar** **Keynote Address |** Former Minister (Malaysia) & AMEC Honorary Advisor Tan Sri Syed Hamid Albar is a distinguished statesman who has held several high-level cabinet positions within the Malaysian government. His extensive ministerial portfolio includes serving as Minister in the Prime Minister's Department, Minister of Defence, Minister of Foreign Affairs, and Minister of Home Affairs. His decades of leadership bring unparalleled insights into geopolitics, security, and international relations.
Panel session	
	**Assoc. Prof. Dr. Sharofiddin Ashurov** **Panelist |** Head of Programme M.Sc. Islamic Banking and Finance, IIUM Institute of Islamic Banking and Finance (IIiBF) Dr. Sharofiddin is a distinguished scholar and practitioner who currently serves at the International Islamic University Malaysia. Holding a PhD in Islamic Banking and Finance, he is deeply engaged in the financial industry, serving as a Shariah Committee member for Al Rajhi Bank Malaysia and the Development Bank of Tajikistan. His cutting-edge research bridges Shariah governance, financial risk management, and the integration of fintech into Islamic social finance.

Dr. Huriyyah El-Islamy

Panelist | Founder & Chief Executive Officer, HGC Firm Dr. Huriyyah is an internationally recognized scholar-practitioner and the Founder & CEO of HGC Firm. Her extensive executive experience includes serving as an Executive Board Member of Indonesia's Hajj Fund Management Agency (BPKH)—where she successfully managed over USD 11 billion in funds. She also serves as an IMF Expert in Islamic Banking and an Advisory Council Member for the Astana International Financial Centre. Her core expertise spans sovereign funds, cross-border investments, and Maqāṣid-oriented digital governance.

Faeeq Furqan

Moderator | AMEC Faeeq Furqan is a final-year International and Strategic Studies student at Universiti Malaya. He brings practical experience in international relations research, political analysis, media coordination, and project leadership. Skilled in producing policy-oriented content and coordinating academic projects, Faeeq is an active leader in research-oriented student initiatives focused on strategic analysis and public policy.

Dr. Muslim Imran

Closing Remarks | AMEC Director Dr. Muslim Imran is a leading expert in strategic and international studies, specializing in the intersections of technology, diplomacy, and geopolitics, with a distinct focus on relations between Asia and the Middle East. He holds a PhD in Strategic and International Studies from the University of Malaya, alongside a Master's in Political Science (International Relations), a Bachelor's in Communications Engineering, and a Diploma in Business Administration from the International Islamic University Malaysia.