



“... Do not covet the bounties which God has bestowed more abundantly on some of you than others...”.

[Al-Nisa: 32]



Messenger of Allah (ﷺ) said: “O people, fear Allah and be moderate in seeking a living, for no soul will die until it has received all its provision, even if it is slow in coming. So fear Allah and be moderate in seeking provision; take that which is permissible and leave that which is forbidden.” **(Sunan Ibn-e-Majah, Vol 3, Book 12, Hadith 2144).**

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A person is given one preference ordering, and as and when the need arises, this is supposed to reflect his interests, represent his welfare, summarize his idea of what should be done, and describe his actual choices and behaviour. Can one preference ordering do all these things? A person thus described may be “rational” in the limited sense of revealing no inconsistencies in his choice behaviour, but if he has no use for these distinctions between quite different concepts, he must be a bit of a fool.

Amartya Sen, A Critique of the Behavioural Foundations of Economic Theory

Research Note

Issues in the Implementation of Ushr in Pakistan

Syed Hassaan Ali

Ushr is a religious obligation levied at the rate of 10% on agricultural output in Islam. There are several hurdles and which are hampering its successful implementation in Pakistan. This note attempts to discuss those issues and a

few recommendations to overcome them.

One of the major issues is that the government has not been active in the collection of Ushr. Furthermore, historically, Ushr never achieved its true potential in terms of the amount collected due to the trust deficit

between the government and the landowners. It is also a fact that some landowners try to evade it. On the other hand, poor knowledge about Ushr among the landowners results in non-payment of Ushr.

Furthermore, corruption is also a major hurdle in exacerbating trust deficit between the government and the landowners. People tend to think that if they would pay their religious financial obligations to the government, then, they might be spoiled or misused.

Another problem is that usually landowners are not aware of the commandment of Ushr. There is a lack of initiatives for public awareness regarding Ushr.

In the poverty alleviation programs, the government ignores the potential of Ushr collection as a tool for poverty reduction. Even if there is no agricultural income tax levied by the government, Muslim landowners engaged in agricultural production are required to pay Ushr on their agriculture produce. But, many of the landowners are not aware of this requirement and the procedure to determine their true financial obligations and the mode of payment.

On the other hand, low levels of collection of wealth Zakat and Ushr in the Muslim countries is because governments have resorted to taxation and have pretty much disengaged from

the central collection of wealth Zakat and Ushr. Now, a person defaulting on tax can be penalized, but the government does not penalize a defaulter on Islamic financial obligations. Another reason of low central collection is the administrative hassle in the government departments, which entice people to pay their financial obligations privately, and without having to disclose their wealth and income status to the tax officials.

To change matters, some recommendations are listed below:

- ❖ Raising awareness about the obligation of Ushr at the grass-root level in rural areas using different local platforms, such as Friday Sermons.
- ❖ Moreover, the governments of Muslim majority countries may provide tax credits to those who pay Zakat and Ushr. Targeted subsidies in the procurement of seeds, fertilizers, tube-wells, pesticides and agricultural financing can also be provided to incentivize commitment.
- ❖ Ensuring the transparent collection, monitoring, reporting and disbursement in the overall system of Zakat and Ushr administration is vital.
- ❖ In the long term, when it becomes a tradition and a well-known financial obligation, then defaulters of Ushr should be penalized.

Islamic Economics Forum on FSC Verdict on Riba III

Panelists

Muhammad Faisal Shaikh
Head, Islamic Banking, Faysal Bank

Khawaja Ehsan Elahi
Head of Product Development and Shari'ah Support, Askari Bank (Ikhlas Islamic Banking)

Asim Hameed Khan
Product Head, Islamic Banking, Habib Metropolitan Bank

Recently, Federal Shari'ah Court of Pakistan has given its judgement on the Riba case. The verdict reaffirmed the historic judgement on interest first given in 1991. But, the subsequent appeals process reopened the case. Concerns about jurisdiction further delayed the implementation of the historic judgement and delayed the case for several years. Now, finally, the verdict has come. The verdict has declared conventional banking interest to be Riba, which is prohibited in Islamic sources of knowledge categorically including Qur'an and Hadith. The judgement has also asked the government to transform the economic system on interest free basis within a period of 5 years to fulfil the constitutional requirement as well as completing the required implementation of the judgement.

Islamic Economics Project is making a humble effort to collect the views of Shari'ah scholars, regulators, practitioners, lawyers and academic experts to deliberate on the future course of action and generate ideas and debate on how to make this transformation possible.

In this regard, we got the chance to get reaction and response from Muhammad Faisal Shaikh, Khawaja Ehsan Elahi and Asim Hameed Khan. We hope that the views expressed and shared with relevant audience and stakeholders will generate practicable ideas and keep the momentum towards achieving the end goal of an economy that is in compliance with Shari'ah and is able to utilize the instruments and institutions in the Islamic economic teachings.

Question: What is your take on the decision by Federal Shari'ah Court of Pakistan on Riba?

Muhammad Faisal Shaikh: I am satisfied with the decision. It was long overdue. But, now the important thing is that when would the decision be actually implemented to achieve the aim of

transformation of the economy within 5 years.

Khawaja Ehsan Elahi: The decision is good, but, it has come late. On the positive side, it is the right decision. Implementation is critical. The same verdict has been given earlier as well. But, it was not implemented and then eventually, delaying tactics were used to put the issue on the back burner. Therefore, early steps are necessary by the government and regulators to exhibit seriousness and commitment now.

Asim Hameed Khan: Finally, FSC has reinstated the same decision and declared that the prohibition of Riba was absolute in all its forms and manifestations according to the injunctions of Islam and in accordance with the Holy Qur'an and Sunnah. Therefore, it should be eliminated from the country in a maximum period of five years.

Question: Do you think that it is possible to implement the verdict on transformation of economy on interest free basis in 5 years?

Muhammad Faisal Shaikh: Important thing is to start and take first steps towards achieving this aim. Intention and political will is important to ensure committed and coordinated efforts. It is not productive to think now about whether it will be fully possible to transform the economy on Riba-free basis in 5 years or not. Complacency and procrastination would further delay the process.

Therefore, right now, strategic planning with strong coordination between regulators is necessary to develop

realistic plan, milestones and to start the process. Without developing strategic plan, setting targets and strengthening regulatory impetus to expedite action and implementation, things may remain stuck.

Khawaja Ehsan Elahi: It is very much possible. It will be wrong to assume that since the verdict has taken too long, there is a very complex and daunting process involved to achieve transformation. It depends on political will and committed efforts.

Islamic finance is part and parcel of the country's financial system with 20% market share in banking, more than 50% share in housing finance and close to 50% share in asset management. In commercial finance, only restructuring and conversion is required.

Asim Hameed Khan: Firstly, a conversion committee should be formed at government level comprising members from Pakistan Banks' Association (PBA), State Bank of Pakistan (SBP) and government officials from the commerce, industries and finance ministries.

Then, a strategic paper should be prepared by PBA Islamic Banking Committee for implementation of FSC decision. Furthermore, SBP Islamic banking department shall be requested to prepare a Road Map with industry feedback in the light of the FSC decision highlighting the changes required to be done for implementation of the decision with timelines.

Question: What are the measures which can be taken to implement the verdict on transformation of economy on interest free basis in 5 years?

Muhammad Faisal Shaikh: Legal reforms are necessary. After 18th amendment, many provincial laws have been independently enacted in different provinces. The relevant federal and provincial laws need to be amended as well. Monetary policy and fiscal policy needs to also take the FSC verdict seriously. Treasury securities can be replaced with Sukuk. In public finance, instead of relying on interest based instruments, Shari'ah compliant instruments shall be utilized.

National Saving Scheme instruments based on interest shall be fully redesigned to ensure that they are Riba-free. This will also help the government in mobilizing more savings as many people prefer to avoid interest based instruments in order to avoid Riba. When people will know that the savings instruments are Shari'ah compliant, they will be willing to invest in Shari'ah compliant instruments. The recent trend of people preferring Roshan Digital Accounts more through Islamic banks and Islamic windows gives further credence to this factor.

Creating awareness is also necessary among the masses. A lot of people understand that bank interest is Riba. But, they also have apprehensions and lack of knowledge about Islamic banking. There is a misperception that Islamic banking is similar to conventional banking in every respect. What is important is to understand that it is different in the most important characteristic, which is compliance with Shari'ah. Apparent similarities in some product characteristics are only because they serve the similar legitimate financing needs in the existing economic and financial system.

It is important to understand that legitimate financing needs must be catered through legitimate ways. Islamic banking is a Riba-free solution to meet the legitimate financing needs. It is the only Shari'ah compliant option. When the size of Islamic banking grows in future, it will automatically become more competitive and efficient in economic terms too. Already in housing finance, car finance and recent issues of Sukuk, the Islamic solution has proved to be competitive and superior in pricing terms. Most importantly, the Islamic banking solution is the only Riba-free solution. That is the most important thing even for the clients who want to avoid Riba.

When Islamic banks will have a critical market share, their systematic importance will rise. Islamic benchmarking solution would develop and become the norm as the share of Islamic banking rises further. There can be a market-driven pricing benchmark or an administered or managed pricing benchmark. As per Shari'ah, what is not Haram is Mubah (permissible) in socio-economic matters. There is a precedent in past of administered profit rates. In addition to that, market based profit rate determination is also possible. What is important is that underlying transaction or economic activity from which an average benchmark profit rate is determined, it has to be Shari'ah compliant and avoid elements of Riba, major uncertainty and mere speculation.

Khawaja Ehsan Elahi: A list of priorities must be set first. Commercial banking is easier to transform. The state owned institutions are also easier to reform since government is the major sponsor of

those institutions. State owned enterprises shall be reformed to ensure that they use Islamic modes of financing. A gradual step-by-step approach can cut the long journey in milestones. Momentum can be picked up if some early steps are taken now.

Asim Hameed Khan: In answering this question, I will echo the recommendations also shared by Ahmed Ali Siddiqui, SEVP, Product Development and Shari'ah Compliance Department, Meezan Bank Limited.

Any new issue of interest based T-bills and Pakistan Investment Bonds by Ministry of Finance will need to be converted to Islamic modes. The existing issues of PIBs with maturities after December 2027 either need to be converted to Islamic mode or need to be redeemed earlier.

Issuance of new interest based national saving scheme instruments shall be declared illegal or will become interest free loan with no interest payment. Existing interest based national saving scheme instruments need to be converted to Islamic or redeemed earlier. Else, they shall become an interest free loan as interest payment is illegal now.

In public finance, government shall use Sukuk instrument to source funds. Islamic financial institutions have liquidity. They can provide competitive solution which is first and foremost Riba-free and will be consistent with the legal framework provided by the constitution and this FSC verdict. All government departments and state owned enterprises need to convert their existing financing to Islamic modes before December 2027.

As compared to the 20% share of Islamic banking in the overall banking industry, the share of Islamic financing modes in public finance is negligible. Therefore, government needs to lead by example and avoid interest-based financing options from now onwards.

Question: What are the important obstacles that can be encountered along the way of transformation process?

Muhammad Faisal Shaikh: Every project of transformation would have obstacles. But, they can be overcome provided we make committed efforts with targets and milestones to guide our journey. Faysal Bank is a classical success story. It is already one of the largest banks in Pakistan with more than 600 branches. Almost all branches have now been completely transformed to Islamic way of banking. There are many banks in Pakistan which have a comparatively smaller branch network than Faysal Bank. If Faysal Bank can achieve transformation with committed efforts of its executive leadership, then it is certainly possible for smaller banks to emulate the same experience.

In public finance, we need to travel a greater distance. Islamic banking has already captured one-fifth of the market, but the share of Islamic financing instruments in sovereign finance is small. The instrument of Sukuk with different structures can be used in public finance in the area of development finance, infrastructure finance and green finance. Some minor obstacles of asset registration and transfers may appear. After 18th amendment, there is also a division of jurisdiction and ownership and

management of national assets and infrastructure among the federal and provincial government.

But, these obstacles are easily manageable. Even the non-Muslim majority countries have used Sukuk in sovereign financing. The economic and financial objectives of public finance can be achieved with Sukuk and more importantly in a Shari'ah compliant way.

Pakistan is one of the countries with very low financial inclusion and savings rates. Part of the reason is that people wish to avoid Riba in banking deposits and national saving schemes. Going towards promotion of Islamic banking and Islamizing the national saving schemes is in the best interest of our economic policy to raise levels of financial inclusion, savings and thus capital formation which leads to economic growth and development.

Therefore, it is important to come up with strategic plan to reforms laws, transform institutions and their finance oriented functions in a gradual and prudent approach. Initially, the pace could be slow, but momentum must not be lost and complacency must be avoided. The sooner we start, the better it is.

Khawaja Ehsan Elahi: There are stakeholders whose business and employment will be at stake and they may resist change. But, they can easily be convinced to join the transformation movement which will give them long term benefits in even financial and professional terms, if the spiritual benefits are set aside for the moment to explain this point.

Quite a big majority of people do not bank in order to avoid Riba. Even if they need banking channel, they open checking accounts rather than non-checking accounts. In order to mobilize more deposits especially on long term basis, Islamic banking provides a useful solution.

Furthermore, the demand for jobs in the Islamic banking sector is growing at a much faster pace. Further growth in Islamic banking will provide more opportunities of employment in all areas of expertise including supply chain, software development, information technology, data science, advertising, human resource and marketing to name a few.

Early movers who achieve adequate skills level and certifications would benefit from this growing industry which has demand for Shari'ah experts, trainers, teachers, researchers, auditors, risk managers and business developers.

Therefore, instead of resisting change, it is in the best interest of conventional interest-based banks and professionals working in such institutions to embrace change and be part of this positive change as professionals and customers.

Asim Hameed Khan: Echoing the views of my senior colleagues from the industry, we would like to see that the rating of conventional banks needs to be lowered due to increased legal risk. It is because conventional banking as a 'form of business' has been declared illegal and against the 1973 constitution of Pakistan.

No interest based bank shall be allowed to mobilize interest based deposits after June 2022. Conventional banks must be given deadline after which they will

either lose their license or they must convert their operations to Shari'ah compliant way of banking by December 2027.

It must be ensured that capital market instruments are also Riba-free. No new long term interest based deal or Term Finance Certificate (TFC) or syndicated financing with tenure beyond December 2027 shall be allowed.

All existing interest based consumer loans like housing will become interest free loan after December 2027 or need to be converted to Islamic modes of

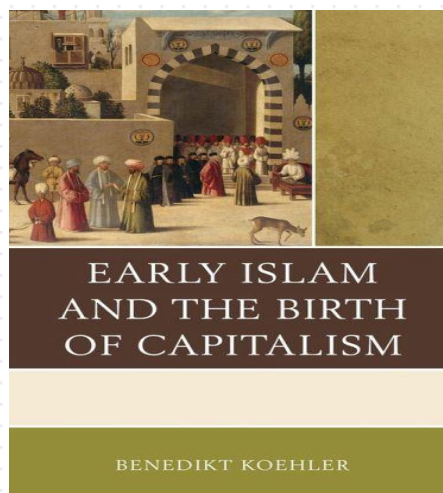
financing. This shall be clearly notified by the central bank so that in their best interest and those of the shareholders, the management of conventional banks shall observe urgency in transforming their consumer finance portfolios. Islamic banks and Islamic banking branches already have products to allow transformation of the facility to Riba-free basis. Hence, this is achievable without any hindrance.

Book Review

Title: Early Islam & the Birth of Capitalism

Author: Benedikt Koehler

Publisher: Lexington Books



The birth of capitalism as per Max Weber in “The Protestant Ethic and the Spirit of Capitalism” began in Western Europe and spread to North America.

Benedict Koehler in his recent book “Early Islam and the Birth of Capitalism” argues that it is Islam, rather than Christianity that provided the organizational and ideological elements

that combined and gave rise to capitalism.

The author explains that Prophet Muhammad (pbuh) was Himself an established entrepreneur.

The author further emphasizes that Mecca was not only a Holy place, but also a very significant trading center at that time. The author contends that

Islamic teachings provided extensive guidelines on fair trade. Islamic teachings also gave due importance to writing business contracts and honoring them, both as a religious and civil duty.

Islamic venture capitalism based on Mudarabah and Musharakah were conducive for long distant trade and matching the skills and endowments of labor and capitalists respectively. The currency system based on commodities like gold and silver was also advanced enough at that time to avoid the problems of barter trade, such as indivisibility of tradable commodities and having to match double coincidence of wants.

The right to private property for men as well as women was also duly recognized in Islamic law even 15 centuries ago.

Islamic institutions and business practices were later on adopted and adapted in Venice and Genoa. Thus, as argued by the author, capitalism first emerged in Arabia, not in late medieval Italian city states as is commonly assumed.

There were other Islamic institutions assimilated in Europe like Charities, Waqf and institutions of higher learning, like the Madrasas. The author argues that these higher learning institutions were models for the oldest colleges of Oxford and Cambridge. As such it can be rightfully said that these essential aspects of capitalist thought all have Islamic antecedents.

It is a good attempt by the author to highlight the historical origins of capitalism. However, it must be emphasized that the commonality that

exists between mainstream capitalism and Islamic economic principles must not be taken as evidence of Islam being a subset, pioneer or promoter of unfettered capitalism. Islam is not just an economic system, but a comprehensive doctrine.

A comprehensive doctrine is not just concerned with one particular aspect of human life; rather it is concerned with all aspects of human life.

Islam recognizes the importance of trade based enterprise over interest based financial enterprise.

Barring certain impermissible businesses, Islamic principles are neutral to the use of market mechanism for allocation and price determination, but these principles render the use of market as an instrument rather than placing it as sacred. Thus, markets can be supplemented, intervened or even replaced for ethical considerations in some cases. For instance, markets for “ethical bads” should not exist as per Islamic principles and the consumer sovereignty is not recognized unconditionally in such instances for the greater benefit of society at large.

Trade based on voluntary exchange is beneficial as collectively we can have better and more consumption bundles at our disposal if we engage in voluntary exchange. Islam is neutral to voluntary exchange in general, but market mechanism is supplemented by divine injunctions and by educating people of the desired behavior expected by their Creator.

Furthermore, Islam has a very clear view on certain extractive institutions like

“interest based lending”. By disallowing interest based earnings, exploitative forms of trade and imposition of excessive taxes, Islamic principles ensure socio-economic justice and individual

freedom in a much wider sense than the mainstream capitalism.

Research Paper in Focus

Paper Title: Establishing zakat on oil and gas in Malaysia: a new insight

Author: Pg Mohd Faezul Fikri Ag Omar, Haneffa Muchlis Gazali, Mohd. Nasir Samsulbahri, Nurul Izzati Abd Razak, Norhamiza Ishak.

Publisher: ISRA International Journal of Islamic Finance, Vol. 13 No. 3, 2021.

The purpose of this paper is to deliberate on the establishment of Zakat on oil and gas in Malaysia. Similar to gold and silver, oil and gas are valuable minerals, which, upon extraction, should be subject to Zakat payment. In Malaysia, however, this is not the case.

The authors argue that Zakat calculation for oil and gas can involve Nisāb adjustment, but not the Hawl (the requirement for one full Islamic year of ownership for the assets), by analogy with Zakat on agricultural produce.

The authors recommend that comprehensive legislation is needed to fine-tune the Malaysian oil and gas system, particularly with regard to Zakat.

The authors base their opinion after the two giant contemporary juristic experts, i.e. Yusuf Al-Qaraḍāwī and Wahbah Al-Zuhailī.

Being highly valuable liquid minerals, oil and gas should be subject to Zakat. To determine their Zakat value, both

minerals should be in their original state following extraction prior to being traded in the market. The inherent value of oil and gas is the main reason for their extraction.

Muslim scholars have indeed deliberated on Zakat on minerals, but not specifically on oil and gas. The general consensus is that Zakat applies on all forms of minerals, i.e. solid rock or liquid.

Al-Qaraḍāwī and Al-Zuhailī pointed out that oil and gas are forms of minerals, and hence, Zakat is imposable upon them. Al-Qaraḍāwī added that oil is referred to as “black gold,” which emphasizes its value; he believes that if past scholars had known about its tremendous value, they would have reached a solid consensus on how Zakat is to be imposed on them.

Al-Qaraḍāwī further summarized the scholars’ opinions on the subject matter into three inferences.

The first opinion is of the Shāfi’ī School, which asserted that “minerals,” as stated

in the Qur'ān, refer specifically to gold and silver; hence, Zakat on minerals is only imposable on the two.

The second opinion is of Abu Ḥanifah, who stated that the only minerals on which Zakat is imposable are those that have been extracted from the earth and subsequently melted down, and this is deduced to be gold and silver.

The third opinion is of the Ḥanbalī School, which proclaimed that Zakat is applicable on all types and forms of minerals extracted from the earth. Al-Qaraḍāwī is more inclined to follow the third opinion, which he deems to be closer to the description in the Qur'ān.

Al-Zuhailī also supported the Ḥanbalī opinion that Zakat is imposable on all liquid minerals. According to him, two conditions must be met for zakat to be imposed on minerals: firstly, the mineral must reach the Nisāb after having been cleansed from residues; secondly, the Zakat payer must be a Muslim.

The obligatory Zakat rate on all extracted minerals is also divided into three opinions. The first opinion is of Abu Ḥanifah, who asserted that the rate should be 20% (one-fifth) according to the assertion of Prophet Muhammad (peace be upon him) that “one-fifth is due on rikāz.” He asserted that rikāz and minerals are not the same, but both are precious valuables found underground and hence would be similar in their Zakat rate.

The second opinion is of Shāfi'ī, who suggested a rate of 2.5% based on analogy with Zakat on gold and silver. The third opinion is of Imam Mālik, who

asserted a Zakat rate of either 2.5% or 20%, depending on the cost and effort of extracting the minerals. A 2.5% rate is for minerals that require more cost and effort in extracting, while a 20% rate is for minerals that require lesser cost and effort.

Al-Qaraḍāwī follows the third opinion based on the grounds that every mineral necessitates different extraction approaches. The Mālikī viewpoint also discerns that extracted minerals belong to the bayt ul māl (the treasury of Islamic state governments). Al-Qaraḍāwī agrees with the view that such minerals should be managed by the public authority, with no private ownership.

The scholars agree that there is no Hawl (one-year Zakat maturity requirement) for Zakat on minerals, by analogy with Zakat on agricultural yields whereby Zakat is paid at the time of harvest. Zakat on minerals must, therefore, be paid instantly following its extraction and purification from residues. This Zakat payment approach is, hence, applicable to oil and gas as well.

The next discussion on the Nisāb of Zakat on minerals takes a more interesting turn, especially when the question is applied to oil and gas. Muslims scholars argued as to whether or not Zakat on minerals requires Nisāb. Al-Zuhailī highlighted that while a majority of scholars agreed that minerals should be subject to Zakat, they must first reach a certain Nisāb.

The Ḥanafī viewpoint states that Nisāb is not required for Zakat on minerals because Hawl is not required as well. The Shāfi'ī and Mālikī Schools asserted

that Nisāb is applicable for Zakat on minerals based on the Nisāb for gold and silver, i.e. 85 grams. Al-Zuhailī and Al-Qaraḍāwī agreed with the view that Nisāb is required for Zakat on minerals.

By summarizing the key juristic discussion on this matter, this paper is an important contribution to explain how Zakat can be levied on oil and gas in Malaysia.

Reflections on the Origins

Recently, NASA has released the earliest clear images of Cosmos in the history of universe. Even if we do not know anything about the Cosmos and how it runs, the fundamental questions about the meaning of our own lives stick in mind no matter whether the universe had and have whatsoever biological, chemical and physical properties. Faith in God or in religion is not concerned essentially with the steps and ‘how it is’ of and behind things. The things which we are able to explain through science relate to the physical phenomena.

The existence of a being as a whole and with its physical parts and processes still begs the question ‘why’ and ‘for what end’? Belief in God is a logical and rational answer to life, its variety, its design and the complexities of supporting ecosystem that we observe. What gives any of our actions meaning is the belief in accountability which promises absolute justice to every intentional act.

Some scientists who do not believe in God concede the way to deity, an impersonal god who makes the watch and then the watch keeps on running; a simulator who makes the simulation which keeps on running and a programmer who makes the program

with loops and nested loops which keeps on running after executed.

As artists, when we make a piece of art as painting, poetry and novel, we project the work in exhibitions, publish it and explain it at length in different forums as long as we live. As scientists, when we make a discovery, an invention or find answer to physical realities, we project the work in science exhibitions, publishing in journals, teaching in classrooms and educating the masses through books, podcasts and televised programs. We seek copyrights and patents to keep the work we have created and discovered as ours and we like to be identified by our works and contributions. Then, God, Who has written the laws of physics, Who created everything in the universe and Who brought this universe and us into existence, would be oblivious to it? Would not he contact us and communicate with us about our purpose of existence?

Indeed, the known history we have with us proves that the concept of God has remained in every human civilization. The teachings of messengers sent for reminding about oneness of God and accountability in life hereafter have been spread throughout in our known history. The last two messengers, Jesus

(pbuh) and Muhammad (pbuh) lived in the daylight of history and whose followers now comprise almost two-thirds of the human population.

Some scientists are open to the idea that aliens brought the fundamental particles of life from outer space, but not to believe in an intelligent being, Who has given existence to fallible creatures like humans. The Nobel Prize winner Francis Crick, along with Leslie Orgel proposed that life may have been purposely spread by an advanced extra-terrestrial civilization³⁰.

We can recognize our fallibility and intelligence at the same time. If we have some intelligence, why we hesitate in assuming that our Creator would be more intelligent Who has brought us into existence for a purpose rather than assuming a deity as an unconcerned watchmaker, a simulator among future humans, a mathematician, a master equation and a random space travelling alien. We are searching for alien life since last century through expensive experiments and advanced instruments to no avail yet.

But, what is puzzling is that there is not a single reference to a religious text by scientists who do not believe in God like Prof. Richard Dawkins, Prof. Lawrence Krauss and Prof. Stephen Hawking. They have made no effort and attempt to pay attention to the signals conveyed in the religious scriptures. They mock the believers and do not realize that more than half of their own colleague scientists are not outright atheists even in this age of misinformation and massive propaganda and arrogance about faith.

The problem of specialization of knowledge makes them reach conclusions which are bounded by the specific jargon and scope of their disciplines. Prof. Dawkins as a biologist asks naïve question that if there is complexity in observable life, then what will be the biological complexity of the Creator. Atheists who belong to physics profession try to ascribe origins to physical forces and physical laws.

Physicists like Prof. Michio Kaku having a mathematical orientation describe God's mind as 'Music of strings resonating through 11 dimensional hyperspace'. Technical entrepreneurs like Elon Musk describe existence as part of a possible simulation. Unfortunately, there is no serious effort to understand the point of view of faith beyond the narrow confinements of one's field of specialization.

Loneliness greets us in space. Fermi's Paradox in physics wonders 'Where is everybody'. Why stars that were born long before our sun could not create any life. Our earth is not a separate corner in the universe; it has its composition of atoms coming from the same material that exists in the universe. Outside of earth, we have not found a liveable place where we could even just breathe naturally.

The verses of nature in universe also reflect truth on those who want to wonder why there is life at all and for what purpose. Scientific discoveries have added more substance to the verse 'Which of God's blessings will you forget'. Astrophysics has proved that there are too many features of blessings in various forms. Astrophysics has taken us near to the exact fraction of a second

when God's command brought the Big Bang 13.7 billion years ago.

Big Bang can explain what happened afterward, but not what was before it, who was behind it and why did we come

to exist in this world in the first place. We can force the question of purpose out of sight, but not out of significance and importance to a thinking mind.

Market News

- ❖ Pakistan's Dbank secures backing of Sequoia in \$17.6 million seed round (Profit Pakistan, July 28).
- ❖ Saudi Arabia closes two tranches of SR-dominated Sukuk totaling \$771 million in July (Arab News, July, 28).
- ❖ Bank Islam Malaysia Berhad launches digital banking app (Fintech Global, July 26).
- ❖ Sukuk issuance from core markets down 17.2% in Q2 (Pakistan Observer, July 22).
- ❖ Russia mulls introducing Islamic banking system (Middle East Monitor, July 18).
- ❖ Australia's first Islamic bank receives restricted banking licence (Fintech Futures, July 13).
- ❖ Sukuk issuance to fall by \$17.4 billion in 2022 amid higher oil prices (Zawya, July 4).
- ❖ SBP moves apex court against Federal Shari'at Court's interest ban (Express Tribune, June 25).
- ❖ IIFM plans to develop new standards relating to Islamic syndication, liquidity management (Pakistan Observer, June 24).
- ❖ SAIB commences SAR-denominated Tier 1 Sukuk offering (Zawya, June 24).
- ❖ APS Islamic Microfinance goes live with Azentio (IBS Intelligence, June 23).
- ❖ Zakat Fund revenue reaches AED148 million in five months (Emirates News

- ❖ Agency, June 21).
- ❖ Digitalization of Zakat system must to ensure transparency: AJK PM (Pakistan Observer, June 20).
- ❖ Abu Dhabi Islamic Bank named „Islamic Bank of the Year 2022“ by The Banker Magazine from FT (Zawya, June 20).

Economic and Financial Indicators

World Economic Outlook Estimated Inflation Rate in Muslim Majority / OIC Countries

Country	2023	Country	2023
Albania	3.657	Malaysia	2.38
Algeria	8.155	Maldives	2
Azerbaijan	8.7	Mali	3
Bahrain	2.85	Mauritania	4
Bangladesh	6.16	Morocco	2.291
Benin	1.8	Mozambique	7.7
Bosnia and Herzegovina	3.01	Niger	3
Brunei Darussalam	1.5	Nigeria	13.059
Burkina Faso	2	Oman	2.166
Chad	3.106	Pakistan	10.459
Comoros	1.472	Qatar	3.181
Cote d'Ivoire	2.258	Saudi Arabia	1.957
Djibouti	4.25	Senegal	2.2
Egypt	10.972	Sierra Leone	14.5
Gabon	2.57	Sudan	111.432
The Gambia	8	Suriname	22.612
Guinea	12.3	Tajikistan	10.5
Guinea-Bissau	3	Togo	1.991
Guyana	6.191	Tunisia	7.726
Indonesia	3.336	Turkey	37.181
Islamic Republic of Iran	27.5	Turkmenistan	10.5
Iraq	4.664	Uganda	4.131
Jordan	2.51	United Arab Emirates	2.829
Kazakhstan	7.133	Uzbekistan	11.281
Kuwait	2.304	West Bank and Gaza	2.395
Kyrgyz Republic	10.074	Yemen	33.987
Libya	2.417		

Source: IMF World Economic Outlook

Islamic Banking Statistics Up to Q4-2020

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	17.80	8.30	0.40	4.50	13.80	53.20
Bangladesh	12.70	4	1	22.90	34.30	55.40
Brunei	19.20	4.80	1.70	13.60	56.50	45.20
Egypt	19.01	5.77	2.86	32.30	60.10	26.26
Indonesia	21.60	3.10	1.50	13	19.90	80.10
Jordan	22.80	2.20	1.70	17.20	49.40	50.60
Kazakhstan (2019Q3)	33.30	0.20	1.30	4.50	19.50	34.50
Kuwait	17.70	1.90	1	10.20	23	30.80
Malaysia	18	1.30	0.70	9.70	28.70	40.70
Nigeria	16.80	7.80	3.20	41.70	96.80	37.90
Oman	14.50	2.20	-0.80	-6.20	-23.40	69.90
Pakistan	16.60	4.10	2.40	39.20	43.60	49.50
Palestine	15.20	2.50	0.70	8.50	20.70	69.20
Qatar (2019Q1)	18.30	1.40	0.40	4.40	38.90	11.90
Saudi Arabia (2021Q1)	18.60	1.20	2.50	19.80	54.30	45.70
Sudan	11.50	3.50	3.50	67.70	51.20	49.70
Turkey	17.80	3.40	1.30	16.60	23.10	36.80
UAE	20.10	6.90	0.80	6.10	20.40	50

Source: IFSB Data

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The 12-th Foundation of Islamic Finance Conference 2022 (12-th FIFC 2022)

1st - 2nd October 2022 (Web-based) and

8th - 9th October 2022 (Face-to-face in Istanbul, Turkey)

https://submit.confbay.com/conf/12-th_fifc_2022

Emerald Journal of Islamic Accounting and Business Research

Corporate Governance in Islamic Banking & Finance, Special Issue

<https://www.emeraldgrouppublishing.com/calls-for-papers/corporate-governance-islamic-banking-finance>

MDPI Journal of Risk and Financial Management

FinTech, Islamic Banking & Finance, Corporate Governance & Sustainability

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