



“On the earth are diverse tracts, adjoining one another: vineyards and cornfields and groves of palm, the single and the clustered. Their fruits are nourished by the same water; yet We make the taste of some excel that of others. In this also are signs for people who understand.”

[Al-Ra'd: 4]

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The Prophet (pbuh) said, “An honest treasurer who gives what he is ordered to give fully, perfectly and willingly to the person to whom he is ordered to give, is regarded as one of the two charitable persons.” [Sahih Bukhari, Hadith No. 2319]

The manifold increase in GNPs and the general uplift in standards of living in most if not all parts of the world matches ill with the rising levels of anxiety caused by instability, frequent job losses, and uncertainties relating to currency values and exchange rates. Many wonder if investments exclusively targeting higher profit margins, uncaring about social responsibility and moral obligations, can ever rectify the situation, which is, partly at least, its own creation.

*Muhammad Nejatullah Siddiqi*

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Research Note

**Reflections on the Life and Works of Dr. Muhammad Nejatullah Siddiqi**

Salman Ahmed Shaikh

Prof. Dr. Nejatullah Siddiqi was born in 1931 in Gorakhpur, United Provinces, British India. He died at the age of 91 in United States on November 12, 2022.

He was among the pioneer scholars in the contemporary field of Islamic economics and finance. He was the recipient of King Faisal International Prize for Islamic

Studies in 1982. He also won American Finance House Award in 1993. Furthermore, he received Shah Waliullah Award in New Delhi for contributions to Islamic Economics in 2003.

He was educated at Aligarh Muslim University as well as Rampur and Azamgarh. Dr. Siddiqi joined Aligarh

Muslim University in BA in 1956. He topped the list of successful candidates both at the BA (1958) and MA (1960) examinations. His PhD Thesis was titled as “A Critical Examination of the Recent Theories of Profit” submitted in 1965 to Aligarh University and subsequently published in 1971.

He served as Associate Professor of economics and Professor of Islamic studies at the Aligarh Muslim University and as Professor of economics at the King Abdul Aziz University, Jeddah, Saudi Arabia, in its Center for Research in Islamic Economics.

He later became a Fellow at the Center for Near Eastern Studies at the University of California, Los Angeles, and after that a visiting scholar at the Islamic Research & Training Institute, Islamic Development Bank, Jeddah.

He was a prolific writer in Urdu and English. His writing style was analytical and yet easily accessible to both the technical and non-technical audience. He wrote on diverse areas, from Maqasid-e-Shari’ah to the nuances of banking without interest. He also meticulously wrote a succinct summary of Muslim economic thinking and translated Kitab-ul-Kharaj by Abu Yusuf.

Several of his works have been translated into Arabic, Persian, Turkish, Indonesian, Malaysian, Thai and other languages. His book ‘Banking without Interest’ has been

published in 27 editions between 1973 and 2000 in 3 languages.

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He has inspired economists working in the field of Islamic economics in the second, third, fourth and the current generations. It is no surprise that upon hearing news of his death, scholars of all ages and generations from the Islamic

economics field around the world shared tributes on his tremendous contributions.

During his long academic career, he supervised a number of Ph.D. theses in the universities in India, Saudi Arabia and Nigeria. His students and mentees include scholars like Prof. Abdul Azim Islahi, who is himself recipient of 2021 Islamic Economics Award by International Center for Islamic Economics, Turkey.

He was associated with a number of academic journals as editor or advisor. He served on numerous committees and participated in many conferences in various parts of the world. He was very helpful to all academics and shared his valuable knowledge in the society.

Some of his books in Urdu include the following:

غیر سودی بینکاری  
اسلامی ادب: چند نظریاتی مقالات  
مسلم پرسنل لاء  
تاریخ اسلام عصر حاضر میں  
مقاصد شریعہ  
اسلام کا نظام محاصل - کتاب الخراج (اردو ترجمہ)  
نشأۃ ثانیہ کی راہ  
انشورنس اسلامی معیشت میں

شرکت و مضاربت کے شرعی اصول  
اسلام کا نظریہ ملکیت  
اسلام میں عدل اجتماعی  
معاصر اسلامی فکر کے توجہ طلب پہلو  
اکیسویں صدی میں اسلام، مسلمان اور تحریک اسلامی  
دینی مدارس: مسائل اور تقاضے  
قرآن اور سائنس (سید قطب کی تفسیر سے ماخوذ)

Some of his notable books in English include:

1. Islamic Banking and Finance in Theory and Practice: A Survey of the Art
2. Riba, Bank Interest and the Rationale of its Prohibition
3. Dialogue in Islamic Economics
4. Islamic Public Economics
5. Economics: An Islamic Approach
6. Teaching Economics in Islamic Perspective
7. Role of the State in the Economy
8. Insurance in an Islamic Economy
9. Partnership and Profit-Sharing in Islamic Law
10. Banking Without Interest
11. Issues in Islamic Banking
12. Muslim Economic Thinking
13. Contemporary Literature on Islamic Economics
14. Economic Enterprise in Islam
15. Some Aspects of the Islamic Economy
16. Muslim Personal Law
17. Recent Theories of Profit: A Critical Examination

As tributes flew from around the world, several of his contemporaries also highlighted his excellent character and personality. He was passionately driven towards Islamic economics. He was analytical and objective in his thinking and writing. He was open for advice and

suggestions. Several scholars had regarded him as their mentor. He was aware of the contemporary socio-economic challenges. He urged for reformed thinking and appropriate response towards those challenges.

Dr. Nejatullah Siddiqi suggested that the way to respond to current challenges and circumstances in Islamic spirit shall utilize broader intellect, experiences and abilities in the Muslim society. In economic, health and scientific matters, experts of these fields also have a role to play in making us understand the implications and effects of the challenges and appropriate response to those challenges. For the experts in these fields, it is important to be well versed in understanding Qur'an to contribute their perspective in such debates.

For Islamic finance, he suggested that product development in Islamic finance shall take a broader perspective rather than just taking the perspective of major sponsors. Taking a narrower commercial perspective, some liquidity management products may get introduced in the system, but if the broad implication on macro economy, society and equitable distribution of income and wealth are given consideration, then the product development would tend to focus more on egalitarian and inclusive modes of finance, such as Mudarabah and Musharakah.

Understanding benefits and costs of commercial products from the social, macroeconomic and developmental standpoint would be better understood if

economists and social scientists are also engaged in the process and discourse.

He was a visionary economist. He called for five strategic changes in approach:

1. Family rather than the market as the starting point in economic analysis.
2. Cooperation playing a more significant role in the economy, complementing competition
3. Debts playing a subsidiary rather than the dominant role in financial markets

4. Interest and interest-bearing instruments playing no part in money creation and monetary management

5. Maqasid based thinking supplanting analogical reasoning in Islamic economic jurisprudence.

We pray for mercy of Allah for Dr. Muhammad Nejatullah Siddiqi and may his enormous contributions pave the way for more intellectual work in Islamic studies and may his scholarly contributions last till the end of times as Sadqa-e-Jaria for him. Aameen.

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### Financing Microenterprises with Islamic Social Finance Instruments

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The aim of Islamic social finance is to support socio-economic empowerment, progress, and the development of society. Pooling resources from social finance instruments, like Zakat (alms giving), Waqf (endowments), Qardh al-hasan (interest free benevolent lending), Takaful, and Sadaqah (charity), can establish and lead to growth of lower-income micro-enterprises in the country.

According to Asian Development Bank, 24.3 per cent of Pakistan's population lives below the national poverty line (2015), unemployment rate is 4.5 per cent (2019) and 2.3 per cent of employed population lives below USD1.90 PPP a day (2019).

UNDP report (June 2020) shares that though Pakistan's poverty rate declined by 40 percent in the last twenty years to 24.3 percent in 2015, as per IMF a sharp rise in poverty level is estimated in the wake of COVID-19 pandemic. It may lead to 40 per cent of population falling below the poverty line.

As reported by International Labor Organization (ILO), COVID-19 resulted in massive loss in global employment. As many as 144 million people lost employment in 2020. It was also estimated that the loss of global labor income was 8.3 percent due to the reduction of working hours.



In such economic climate, effective social finance is the need of the hour as in line with the study by Dr. Gadaf Rexhepi, which states that social finance works better than philanthropy. The poor would rather be given opportunities to earn via micro-financing than receive dole-outs.

Social finance is finance that supports socio-economic empowerment, upliftment and development. In short, social finance encourages responsible investment intended for social benefit and aims at inclusive growth.

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At present, at the government level, Pakistan poverty alleviation fund and Pakistan Bait ul Mal are operating to alleviate poverty. In the private sector, Islamic micro financial services are provided in Pakistan by non-governmental organizations (NGOs) like Akhuwat (provides Interest-Free Micro finance), Wasil Foundation, Kashf Foundation, Naymet Trust, Muslim Aid Pakistan, Islamic Relief Pakistan, Kawish Welfare Trust and Esaar Foundation. This is the extent of the reach of social finance in Pakistan where almost 60 million people are poor.

In Islamic finance, there are instruments like Zakat (alms giving), Waqf (endowments), Qardh al-hasan, Sadaqah (charity), and Takaful to help the poor. Takaful should not be limited to an alternative form of conventional insurance as it is a mechanism for mutual assistance.

Dr. Ziyaad Mahomed, Assistant Professor and Associate Dean INCEIF, elaborated at the CEIF Talks: Resurgence of Islamic Social Finance (October 2019) that with Islamic banking asset size at USD 3 trillion, there should be no poor left in the Ummah!

But credit-worthiness checks, affordability checks and lack of collateral come in the way of Islamic banking to help those who really need financial assistance. One major reason for Muslims being poor is that the collection, administration and distribution of Zakat to the deserving has not been done efficiently.

Therefore, in the prevailing circumstances, effective social finance especially in the context of financing microenterprises is the pressing priority since many people in Pakistan are not aware of the financing products of the (Islamic) banks and do not have access to financial products of the conventional banks.

The Way forward is to have a model on the lines of Akhuwat Islamic Microfinance, which works on the principle of collecting Qardh al-hasan from donors and empowering deserving families. Akhuwat provides these interest-free loans to the family as a unit. It does not discriminate on the basis of gender; thus Qardh al-hasan is not given to a man or a woman, but it is given to the family unit. The family then decides who is more capable of becoming an entrepreneur.

This way the social finance outreach will increase which will create a positive relationship between social finance

instruments and social returns in terms of job and wealth creation in Pakistan.

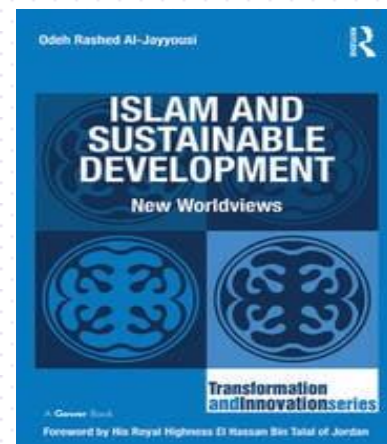
Since Financial Technology (Fintech) is already here, a Fintech-based platform to channelize the funds of Zakat, Waqf, Sadaqah, Qardh al-hasan and other social finance instruments to the eligible micro-enterprises, will ensure the efficiency in

the collection, administration, and distribution of these funds for financing the deserving people in Pakistan. This will be the wealth creating channel that will enable to create more wealth and employment after getting self-sustainable. As a result, the outreach of Islamic social finance can further be increased.

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### Book Review

**Title:** Islamic and Sustainable Development: New Worldviews  
**Authors:** Prof. Odeh Al-Jayyousi  
**Publisher:** Gower Publications, 2012



The world today represents stark realities about material progress. On one hand, there are millions of people in abject poverty; whereas, a small minority has majority ownership over resources.

Value neutral economic pursuits devoid of ethical considerations lack a guiding mechanism to nurture the good virtues among human beings. Hence, it is no surprise that famine, death from hunger and debt enslavement is the fact of life for millions of people not because that overall, the societies have scarce resources, but because the distribution of resources is inequitable.

In mainstream economic literature, the development discourse has taken several steps in the right direction from an exclusive focus on economic growth, belief in the social utility of greed and trickledown theory to now embracing humans as means as well as ends of development.

While the concept of human capital development and sustainable development are richer than the exclusive focus on economic growth, the focus in the twenty-first century should also now lift from a human-centric focus of development to an ecological balance now and in the future.

During the last 30 years, a lot of challenges have sprung up which require a renewed focus on environmental resource conservation, equitable income distribution, intergenerational equity and enhancing social infrastructure. Is rapid growth accompanied by equally rapid depletion of environmental resources and high fiscal deficit and public debt burden a truly admirable growth model?

Just at the right time, the concept of sustainable development has come to the shore. It is realized that for growth to be sustainable, the growth shall provide widespread benefits and must not come at the expense of worsening income distribution and environment quality.

In Islam and Sustainable Development, Prof. Odeh Al-Jayyousi addresses the social, human and economic dimensions of sustainability from an Islamic perspective. The proposed framework for sustainability in the book consists of four components: good governance (Adl), excellence (Ihsan), social capital (Arham) and integrity without corruption (Fasad).

The author argues that any deviation from the natural state (Fitra) is a Fasad. Hence, climate change from an Islamic perspective is a form of Fasad.

The author argues that the notion of natural state (Fitra) implies that everything on earth is in balance. There is sufficient food and resources if distributional equity and justice exist.

The author highlights that consumerism culture has challenged the planetary boundaries. People in developed countries comprise around 25% of the global population. But, they consume 15

times as much paper, 10 times as much steel and 12 times as much energy as the remaining 75% of the people in developing countries. There is a great need for restraint, but the capitalist system does not have sufficient mechanisms to restrain people from wasteful consumption.

The author contends that banks, media, multinational corporations and governments in a capitalistic economy all have a vested interest in encouraging consumption so that a high level of investment is sustained.

The author highlights the importance of biodiversity and how it is put at risk by overconsumption beyond the regenerative capacity of reproduction and also by industrial pollution.

Diversity promotes sustainability since more diverse the organisms in an ecosystem, the more types of resources are available to deal with challenges. On the other hand, Islam does not approve of the waste of even plentiful resources like water as it helps in sustainability of various forms of life.

The author writes that in the absence of a moral dimension, material possessions become an end in itself. Conspicuous consumption creates only temporary satisfaction. The author goes on to comment that without any meaning and purpose of life; fashions and models only exchange one kind of emptiness for another.

The author also criticizes how credit culture fuels consumerism and wasteful consumption. The author argues that the Islamic worldview expands the responsibility of humans to society, future

generations, and other living species on the planet with afterlife accountability for every intentional act done by every human being. Islamic worldview regards humans as trustees of Allah for whatever material resources and mental faculties they come to possess in this world.

In the end, the author cautions that economic crisis can eventually be reversible, but the loss of biodiversity

which represents our natural capital and life-support systems may be irreversible.

All in all, the book introduces the moral dimension of the sustainability crisis and challenges and explains the potential of Islamic worldview and ethical institutions to help in creating and promoting a culture of conservation, care, responsibility and cooperation.

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### Research Paper in Focus

**Paper Title:** Islamic Work Ethics as a Key Engine of Endogenous Economic Growth

**Author:** Asma Raies

**Publisher:** Islamic Economic Studies, 29(2), 86 - 99.

This paper attempts to show how ethical piety can lead to endogenous growth through mathematical modelling. The author argues that *“God promised pious individuals who obey to His commandments, to increase their economic wellbeing. Although it is difficult to demonstrate with figures in hand this causality relationship, Muslims must believe in its existence and robustness at both the individual and collective levels, as it is argued in Qur’an and the Prophetic Narration.”*

This statement and value judgement has some implications which need to be discussed. First, we need to appreciate that God’s promises transcend both worlds, life on earth and life hereafter.

Second, the worldly life is a trial as described in several verses of Qur’an. Even the most pious prophets (pbut) had been persecuted, rejected and even killed mercilessly. Therefore, outcome of

actions in this world is not necessarily based on absolute justice. The material blessings or the lack of them do not determine success on merit.

Thirdly, the fate of individuals and nations is determined differently. While an individual despite good actions may not get swift or equitable reward due to the trial nature of this worldly life sometimes, the destiny of nations and collective societies follows merit. In economics terminology, when justice and social infrastructure weakens, then the nation starts its own decline. Ibn-e-Khuldun had developed his civilizational development model based on positive premises.

Lastly, piety alone is not sufficient condition for material success. Even the prophets (pbut) used to labour and encourage working. The author had emphasized this point by discussing the concept of work ethics, but the first three points discussed above need to be kept in



mind while seeking a causal relationship between piety and economic well-being at both personal and collective level.

In reviewing the literature, the author gives account of how different studies have attempted to look at the effect of religion or religiosity on economic growth and well-being. Such studies have serious flaws. First of all, there are multiple reasons why some countries are behind in economic well-being than others.

Some of these factors are measurable and some are not even measurable. For instance, the role of geo-politics, conflicts, institutional slavery and colonization in eras when the national income accounting did not begin cannot be captured in empirical models taking balanced panel data from post WWII period.

Secondly, countries are not religiously identified in black and white. There is huge diversity and more so in West. Muslim population in Europe alone is around 50 million. There are Muslim majority countries which have high economic well-being in terms of per capita income, such as Qatar, Brunei, United Arab Emirates, Kuwait, Saudi Arabia, Bahrain, Oman, Malaysia, Turkey and others.

Thirdly, the reasons for underdevelopment include many other economic and non-economic factors. For instance, countries with lack of pre-requisite conditions of development in Africa, parts of Asia and Latin America, would remain underdeveloped regardless of the religion followed in society.

The other brand of literature reviewed in the paper looks at the role of Islamic

finance in economic growth. Often, annual frequency secondary data on macroeconomic aggregates does not show the true economic effect. It merely captures co-movement, but not the economic substance behind empirical relations. For instance, Islamic banking share in most developing countries is below 20% while the overall financial inclusion is also at a very low level.

In that case, it is not correct to expect and analyse impact of Islamic banking on macroeconomic aggregates when Islamic banking has a very small size in even national banking sector. Hence, this brand of literature may capture statistical significance, but not economic significance.

Now, coming to the main crux of the paper, the author uses a standard endogenous growth model and replaces human capital with Islamic piety. First, it is erroneous to replace a variable in the model on ad-hoc basis which in reduced form solution is known to have a positive association with growth. If this approach is adopted, one can replace any such variable with any construct he/she wants to show a theoretical association with no empirical verification or proof.

There is no empirical exercise shown nor can it be shown unless Islamic piety is measured. Author admits that Muslim majority countries are by and large underdeveloped due to lack of piety.

The author writes: *“In the Lucas-Uzawa model, the individual spends some time in production and some time in formal education to accumulate human capital. However, in our model, Islamic self-education activity occurs in the individual’s free time while the non-*

*leisure time is fully devoted to production, leading thereby to a higher long-run growth rate. This result proves that Islam promotes economic growth and that Muslim populations' underdevelopment is due to their low ethical capital (lack of piety)."*

It is highly erroneous to make such utopian assumptions. We make models to understand complex reality and the relations therein. If something is not there yet as admitted by the author, there is no point of introducing that in model.

Then, the author goes on to give this recommendation: *"Consequently, our study recommends some policies such as providing formal religious education at all educational levels (elementary, secondary and higher levels) and promoting ethical values such as piety, sincerity, transparency, etc., through media and cultural institutions."*

Islamic work ethics may complement efforts to achieve economic well-being. However, simply replacing it with human capital in the model and even recommendations is not appropriate.

It is better to avoid ad-hoc juxtaposition of Islamic oriented attitudes in variables of the model which cannot be empirically measured. There can be a better case made through social infrastructure, including law and order and property rights.

Indeed, Islamic teachings as explained in the paper emphasize upon justice, protection of rights, fairness, excellence in work ethics, transparency and contract enforcement. It is enough to show that Islamic teachings emphasize on these elements of social infrastructure. It is not necessary to replace them with an Islamic oriented variable label at the cost of human capital in the model.

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## Reflections

Rediscovering regularity in physical realities is not the end-objective of existence. How we develop as adults from birth as an individual and how and when homo-sapiens as a whole came to exist in this form physically is all beside the point as far as the basic questions of purpose, essence and meaning of life are concerned. Albert Einstein in his essay 'Science and Religion' states:

*"The knowledge of the truth as such is wonderful, but it is so little capable of acting as a guide that it cannot prove even the justification and the value of*

*the aspiration toward that very knowledge of the truth. Here we face, therefore, the limits of the purely rational conception of our existence."*

Prof. Karl Popper explains that "In so far as a scientific statement speaks about reality, it must be falsifiable: and in so far as it is not falsifiable, it does not speak about reality<sup>ii</sup>".

Putting ideology over a descriptive falsifiable theory is a different matter than just the scientific and physical aspects of the theory itself. Theory of

evolution attempts to describe the process through which life comes to exist. This theory does not concern with the question of the meaning of life itself. It is erroneous to use it as evidence to support a godless philosophy of life. Michael Ruse, even though an atheist, aptly writes: “Evolution is promoted by its practitioners as more than mere science. Evolution is promulgated as an ideology, a secular religion<sup>iii</sup>”.

Dr. Francis Collins, Director of the National Human Genome Research Institute in USA feels no problem in his religious beliefs and his work in evolutionary biology. He explains that theory of evolution describes biological evolution and functions. Human beings have special attributes like moral conscience, aesthetic sense, inquisitiveness and curiosity. Dr. Collins reasons that evolution describes our biology and it is still just the description of how God created us<sup>iv</sup>.

Animals wake up, find food, eat, sleep and wake up again. Are humans also supposed to have the same purpose only?

Conscience may not err in helping to differentiate between right and wrong, but the right ethical choice may not be chosen if it conflicts with self-interest. If I believe that this life is the only life, then why shall I use my limited time, income, abilities and resources to help others? If I am just part of an evolutionary process, why should good and evil matter? Why should conscience and ethics in any way be different from dust and air?

Prof. Richard Dawkins in his book ‘God Delusion’ states that we do not need religion to be moral<sup>v</sup>. If we assert that we do moral behaviour instinctively for

ensuring survival only, then, there is nothing good and bad essentially.

Sam Harris writes that “Most of what we currently hold sacred is not sacred for any reason other than that it was thought sacred yesterday.<sup>vi</sup>”

There are no objective morals then. Sam Harris is skeptical of free will. If that view is taken, then all judiciary and penal laws shall cease to exist. But, do they or would they? Seyyed Hossein Nasr aptly asks:

*If the human being is nothing but the result of ‘blind forces’ acting upon the original cosmic soup of molecules, then is not the very statement of the sacredness of human life intellectually meaningless and nothing but a hollow sentimental expression? Is not human dignity nothing more than a conveniently contrived notion without basis in reality? And if we are nothing but highly organized inanimate particles, what is the basis for claims to ‘human rights’?<sup>vii</sup>*

## References

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- ii. Popper, K. (2002). “The Logic of Scientific Discovery”. New York: Routledge.
- iii. Ruse, M. (2000). “How Evolution Became a Religion”. National Post.
- iv. Collins, F. S. (2006). “The Language of God: A Scientist Presents Evidence for Belief”. New York: Simon and Schuster.

- v. Dawkins, R. (2006). The God Delusion. London: Bantam Books.
- vi. Harris, S. (2005). "The End of Faith: Religion, Terror, and the Future of Reason". New York: WW Norton & Company.
- vii. Nasr, S. H. (2004). "The Heart of Islam: Enduring Values for Humanity". New York: Harper San Francisco, p. 275.

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### Market News

- ❖ Improving operating conditions support UAE Islamic banks with growth in 1H22 recorded at 6% (Fitch Ratings, Nov 15).
- ❖ Will switch to Islamic banking system in 5 years: Ishaq Dar (The News, Nov 10).
- ❖ Islamic Development Bank calls for collaboration at COP27 to tackle climate change (Garowe Online, Nov 14).
- ❖ SBP, NBP to withdraw appeals against imposing Islamic banking system in Pakistan: Dar (The News, Nov 10).
- ❖ Dubai Islamic Bank sets up green financing framework (Reuters, Oct 21).
- ❖ State Life partners with Dubai Islamic Bank to offer innovative Takaful solutions to customers (Pakistan Observer, Oct 21).
- ❖ Takaful insurance market is projected to reach \$97.17 billion by 2030 (Insurance News Net, Nov 10).
- ❖ Emirates REIT's \$400 million Sukuk refinancing gets nod from Ad Hoc Group (Zawya, Nov 15).
- ❖ Tiff between federal, Punjab governments hurts Zakat recipients (Express Tribune, Nov 15).
- ❖ Zakat cards to ensure transparent distribution of funds: Fayaz (Pakistan Observer, Nov 9).
- ❖ Government raises Rs 46 billion through Sukuk (Express Tribune, Nov 9).
- ❖ Al Rajhi Bank raises \$2.66bln from Tier 1 Sukuk offering (Zawya, Nov 15).
- ❖ Emirates REIT proposes new Sukuk refinancing, ad hoc group gives nod (Reuters, Nov 14).



- ❖ CBB Sukuk Al-Salam securities fully subscribed (Zawya, Nov 14).
  - ❖ UAE's green bonds, Sukuk market valued at \$17 billion (Zawya, Nov 10).
  - ❖ Sharjah developer Arada raises \$100 million in tap of existing Sukuk (Business Recorder, Oct 20).
  - ❖ Cagamas concludes issuances of RM3.3bln worth of bonds and Sukuk (Zawya, Nov 1).
  - ❖ Alrajhi Bank offers Tier 1 Sukuk denominated in Saudi Riyals for public subscription (Zawya, Oct 31).
  - ❖ KCB targets Sh10 billion in maiden Sukuk bond (The Citizen, Nov 9).
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## Economic and Financial Indicators

### Islamic Banking Statistics 2013-2022

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	18.7	10.8	1.0	7.8	25.6	71.1
Bangladesh	11.5	4.5	1.3	23.5	33.3	43.8
Brunei	20.2	5.0	1.6	12.1	52.0	45.1
Egypt	15.24	7.25	2.62	42.08	58.76	30.91
Indonesia	18.4	4.1	1.3	11.8	13.9	86.1
Jordan	22.3	2.8	1.8	18.3	49.3	50.7
Kuwait	17.8	2.5	1.2	11.0	22.1	32.5
Malaysia	16.7	1.4	1.0	15.0	38.9	39.7
Morocco	20.6	0.2	-3.7	-26.2	-252.8	349.7
Nigeria	30.2	4.3	1.1	12.1	10.5	82.0
Oman	28.5	0.7	-0.8	0.1	-29.6	113.9
Pakistan	15.0	5.0	1.5	24.7	32.2	65.5
Palestine	16.8	2.3	1.0	9.5	24.2	69.6
Qatar	18.0	1.3	1.1	11.0	40.8	13.3
Saudi Arabia	20.1	1.2	2.2	16.4	49.5	49.6
Sudan	15.3	5.1	2.8	41.8	55.9	40.8
Turkey	16.5	4.0	1.3	15.5	21.0	43.3
UAE	17.2	6.3	1.4	11.4	32.0	50.5

Source: IFSB Data

## Islamic Capital Market Investments

Measures / Groups	Annualized Return (%)			Annualized S.D (%)			Coefficient of Variation		
Stable Income Investments									
Sukuk	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22
S&P MENA Sukuk Index	2.67	3.96	0.69	1.94	1.63	2.45	0.73	0.41	3.55
S&P GCC Sukuk Index	2.96	4.45	-0.44	2.03	1.77	2.52	0.69	0.40	-5.70
Bond	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22
S&P MENA Bond Index	2.71	5.09	-2.79	3.89	2.48	5.97	1.43	0.49	-2.14
S&P GCC Bond Index	2.80	5.24	-2.76	3.97	2.52	6.09	1.42	0.48	-2.20
Equity Investments									
Islamic	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22
S&P 500 Shariah	12.04	12.30	11.35	18.03	13.27	26.75	1.50	1.08	2.36
S&P Europe 350 Shariah	7.26	8.83	3.18	15.38	13.60	19.27	2.12	1.54	6.07
S&P 500 ESG Shariah	11.92	11.50	13.00	18.15	13.15	27.22	1.52	1.14	2.09
Dow Jones Islamic GCC	4.25	2.07	10.13	12.82	12.44	13.79	3.02	6.00	1.36
Conventional	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22	2013-22	2013-19	2020-22
S&P 500	11.16	11.98	9.00	17.30	12.83	25.56	1.55	1.07	2.84
S&P Europe 350	5.20	6.80	1.03	16.56	14.44	21.10	3.18	2.12	20.40
S&P 500 ESG	11.41	11.77	10.46	17.34	12.77	25.73	1.52	1.08	2.46
Dow Jones GCC	4.58	2.69	9.68	12.04	11.36	13.72	2.63	4.22	1.42

Source: SP Dow Jones / Working by Research Desk

### Call for Papers

Special Issue "Islamic Finance Performance during Pandemic and Future Agenda"  
MDPI International Journal of Financial Studies  
[https://www.mdpi.com/journal/ijfs/special\\_issues/Islamic\\_Finance\\_Performance](https://www.mdpi.com/journal/ijfs/special_issues/Islamic_Finance_Performance)

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>

10th ASEAN International Conference on Islamic Finance (AICIF 2022)  
6 - 8 December 2022, DoubleTree by Hilton Hotel Kuala Lumpur  
<https://submit.confbay.com/conf/aicif2022>

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### Other Resources on Islamic Economics Project Portal

- ❖ Research Articles
- ❖ Research Presentations
- ❖ Islamic Finance Calculators
- ❖ Course Outlines
- ❖ Academic Resources
- ❖ Data Resources Links
- ❖ Islamic Economics Journals List
- ❖ Qur'an and Hadith on Economics
- ❖ Book Reviews
- ❖ Frequently Asked Questions
- ❖ Topical Bibliographies
- ❖ Islamic Finance Education Providers
- ❖ Researchers Database in Islamic Economics
- ❖ Call for Papers
- ❖ Glossary of Islamic Finance
- ❖ Video Library



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